

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

QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31.12.2010 RM'000 Unaudited	Restated At 31.3.2010 RM'000 Audited
ASSETS		
Property, plant and equipment	594,446	538,189
Intangible assets	1,892	1,578
Biological assets	51,402	57,900
Prepaid lease payments	75,484	40,210
Investment properties	8,055	6,924
Investment in Associates	33,597	3,073
Available-for-sale financial assets-quoted	19,250	-
Other long term investments	46	49
Deferred tax asset	732	1,335
Goodwill	4,781	4,775
Total non-current assets	789,685	654,033
Current Assets		
Inventories	45 days 178,916	39 days 131,479
Biological assets	36,874	34,231
Trade receivables	34 days 161,560	32 days 128,013
Other receivables	87,360	46,816
Current tax assets	9,411	5,403
Cash and cash equivalents	79,053	106,145
	553,174	452,087
Total Assets	1,342,859	1,106,120
EQUITY AND LIABILITIES		
Equity		
Share Capital	197,586	197,586
Treasury Shares	(243)	(11,893)
Reserves	388,850	317,112
Equity attributable to shareholders of the Company	586,193	502,805
Minority interests	61,931	55,799
Total Equity	648,124	558,604
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	37% 238,691	39% 215,419
Deferred income	4,739	4,427
Deferred tax liabilities	41,186	35,139
	284,616	254,985
Current Liabilities		
Payables	106,911	91,196
Short term borrowings	296,357	196,911
Taxation	6,851	4,424
	410,119	292,531
Total Liabilities	694,735	547,516
Total equity and liabilities	1,342,859	1,106,120
Net Assets per share (RM)	1.49	1.28
Based on number of shares:('000)	392,335	391,687

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2010 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 31.12.2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.12.2010 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	3RD QUARTER 1.10.20010 TO 31.12.2010	3RD QUARTER 1.10.2009 TO 31.12.2009	QUARTER 1.4.20010 TO 31.12.2010	QUARTER 1.4.2009 TO 31.12.2009
	RM'000	RM'000	RM'000	RM'000
Profit for the period	35,749	33,674	100,359	86,687
Other comprehensive income/(loss), net of tax:				
Foreign currency translation	-1,510	1,104	(4,540)	7,664
Fair value changes on available-for-sales financial assets	(532)	-	7,699	-
Cash flow hedges	-	-	-	-
Total Comprehensive income	<u>33,707</u>	<u>34,778</u>	<u>103,518</u>	<u>94,351</u>
Attributable to:				
Shareholders of the Company	31,094	32,491	96,098	87,413
Minority interests	2,613	2,287	7,420	6,938
Total Comprehensive income	<u>33,707</u>	<u>34,778</u>	<u>103,518</u>	<u>94,351</u>

The Condensed Consolidated Statement of Comprehensive Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2010. the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

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

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2010

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2010 (UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS			
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING YEAR	
	3RD QUARTER 1.10.2010 TO 31.12.2010		3RD QUARTER 1.10.2009 TO 31.12.2009		CUMULATIVE 1.4.2010 TO 31.12.2010		CUMULATIVE 1.4.2009 TO 31.12.2009	
	% increase against last period	RM'000	RM'000		% increase against last period	RM'000	RM'000	
Revenue	21.83%	450,949	370,133		19.80%	1,274,188	1,063,640	
Operating Profit	13.20%	60,615	53,549		18.80%	166,044	139,770	
Depreciation and amortisation	17.86%	(11,960)	(10,148)		16.27%	(33,705)	(28,989)	
Interest income	###	560	189		80.08%	949	527	
Interest expense	73.46%	-6,380	-3,678		41.14%	(14,719)	(10,429)	
Share of profit of associate (net)		1,562	102		373.70%	1,819	384	
Profit Before Taxation	10.95%	44,397	40,014		18.89%	120,388	101,263	
Less: Tax expense		(8,648)	(6,340)	(Effective tax rate) 19.48%		(20,029)	(14,576)	(Effective tax rate) 15.84%
Profit for the period	6.16%	35,749	33,674			100,359	86,687	
Attributable to:								
Shareholders of the Company	5.57%	33,136	31,387		16.54%	92,939	79,749	
Minority interests		2,613	2,287	5.89% (% against PBT)		7,420	6,938	6.16% (% against PBT)
Profit for the period		35,749	33,674	5.72% (% against PBT)		100,359	86,687	6.85% (% against PBT)
Number of shares in issue ('000)		393,847	391,948			392,335	391,687	
Earnings per share:								
Basic earnings per ordinary shares (sen)	5.06%	8.41	8.01		16.35%	23.69	20.36	
Diluted earnings per ordinary shares (sen)		NA	NA			#REF!	NA	

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2010 the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

Sheet1

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

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2010

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.12.2010

	Non-Distributable		Non-Distributable		Distributable				Total Equity
	Share Capital	Share Premium	Treasury Shares	Fair Value Reserve	Exchange Translation Reserve	Retained Profit	Attributable to shareholders of the Company	Minority Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31.12.2010									
At 1.4.2010	197,586	-	(11,893)	-	281	316,831	502,805	55,799	558,604
Effect arising from adoption of FRS 139				-		(3,338)	(3,338)		(3,338)
At 1.4.2010 -restated	197,586	-	(11,893)	-	281	313,493	499,467	55,799	555,266
Total comprehensive income for the period	-	-		7,699	(4,540)	-	3,159	0	3,159
Additional interest in subsidiaries								430	430
Treasury shares sold/buyback		8,481	11,651				20,132		20,132
Dividend paid						-29,504	(29,504)	(1,718)	(31,222)
							-		-
At 31.12.2010	197,586	8,481	(242)	7,699	(4,259)	283,989	493,254	54,511	547,765

Sheet1

9 months ended 31.12.2009

	RM'000	RM'000	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
Total comprehensive income for the period					7,664	79,749	87,413	6,938	94,351
Share buyback		(49.00)	(5,441)				(5,490)		(5,490)
Share issued to MI								1,800	1,800
Dividend paid						(22,838)	(22,838)	(1,939)	(24,777)
At 31.12.2009	165,000	200	(11,194)	-	959	322,052	477,017	54,222	531,239

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2010 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 31.12.2010

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
	1.10.2010 to 31.12.2010	1.10.2009 to 31.12.2009		1.4.2010 to 31.12.2010	1.4.2009 to 31.12.2009	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	117,140	91,206	28%	338,264	263,092	29%
Palm Oil Activities (POA)	87,055	72,670	20%	229,185	180,495	27%
Integrated Livestock Farming (ILF)	246,754	206,257	20%	706,739	620,053	14%
Total	<u>450,949</u>	<u>370,133</u>	22%	1,274,188	1,063,640	20%
	1.10.2010 to 31.12.2010	1.10.2009 to 31.12.2009		1.4.2010 to 31.12.2010	1.4.2009 to 31.12.2009	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	17,767	16,068	11%	52,960	42,551	24%
Palm Oil Activities (POA)	806	3,278	-75%	2,956	5,526	-47%
Integrated Livestock Farming (ILF)	25,824	20,668	25%	64,472	53,186	21%
Total	<u>44,397</u>	<u>40,014</u>	11%	120,388	101,263	19%

- a. MPM's current quarter sales increased 28% against corresponding quarter due to higher volume of surimi and surimi-based products sold. Cumulatively, sales improved 29% for the same reason.

Earnings for the current quarter increased 11% due to increased volume.
Cumulatively, earnings increased 24% due to the same reason.

- b. POA's current quarter sales increased 20% against corresponding quarter mainly due to 40.6% increased in CPO prices (RM3,124 current qtr vs RM2,222 corresponding qtr).
Cumulatively, sales increased 27% mainly due to higher CPO prices.

However, POA's current quarter earnings decreased significantly against corresponding quarter mainly due to 'La Nina' effect resulting in lower crop size and lower OER (Oil Extraction Rate).
Cumulatively, earnings decreased 47% for the same reason.

- c. ILF's current quarter sales increased 20% against corresponding quarter due to higher volume and unit value of raw material traded.
Cumulatively, sales increased 14% due to the same reason.

Earnings increased 25% against corresponding quarter due to better trading and farm products margins.
Cumulatively, earnings increased 21% due to the same reason.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2010 to 31.12.2010	1.7.2010 to 30.9.2010		1.10.2010 to 31.12.2010	1.7.2010 to 30.9.2010	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	117,140	118,090	-1%	17,767	20,077	-12%
Palm Oil Activities (POA)	87,055	72,775	20%	806	1,059	-24%
Integrated Livestock Farming (ILF)	246,754	247,860	0%	25,824	21,677	19%
Total	<u>450,949</u>	<u>438,725</u>	3%	<u>44,397</u>	<u>42,812</u>	4%

- a. MPM's current quarter sales decreased marginally against preceding quarter due to seasonal effect. However, earnings decreased 12% due to lower fishmeal margin as well as seasonal effect.
- b. POA's current quarter sales increased 20% against preceding quarter mainly due to higher CPO price. (RM3,124 current qtr vs RM2,591 preceding qtr). However, earnings decreased 24% due to 'La Nina' effect causing crop size reduction and poor extraction rates.
- c. ILF's current quarter sales decreased marginally against preceding quarter due to lower volume of raw material traded despite higher unit value. However, earnings increased 19% against preceding quarter due to better trading and farm products margins.

B3 Commentary on Prospects for the next quarter to 31.3.2011

The directors are cautiously optimistic on the Group's performance for the 4th quarter ending 31.3.2011.

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
13,958
<u>6,071</u>
<u>20,029</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.

B8 Corporate Proposals

There were no corporate proposals announced but not completed at the date of issue of this report except as follows:

On 3rd November 2010, the Company announced the following proposals:-

1. Proposed private placement of up to 20,827,920 shares in QL ;
2. Proposed share split involving the subdivision of every one (1) existing ordinary share of RM0.50 each held in QL ("Existing Share(s)") into two (2) ordinary shares of RM0.25 each in QL or "Share(s)") held on an entitlement date to be determined and announced later ;
3. Proposed issue of up to 41,600,000 free warrants in QL ("Warrant(s)") on the basis of one (1) free warrant for every twenty (20) existing QL Shares held after the Proposed Private Placement and Proposed Share Split ; and
4. Proposed increase in the authorized share capital and consequential amendments to the Company's Memorandum and Articles of Association .

The above exercise was completed subsequent to Balance sheet date.

B9 Group Borrowings

Short term:

RM'000

<i>Bank overdraft-short term (unsecured)</i>	3,990
<i>HP Creditors-short term (unsecured)</i>	1,117

Sheet1

<i>Bankers' acceptance-short term (unsecured)</i>	217,796
<i>Term loans-short term (unsecured)</i>	73,454
	<u>296,357</u>
Long Term:	
<i>HP Creditors-long term (unsecured)</i>	40
<i>Term loans-long term (unsecured)</i>	238,651
	<u>238,691</u>
Total Borrowings	<u>535,048</u>

B10 Financial instruments

Outstanding derivatives as at 31st Dec 2010

Type of derivatives	Contract/Notional value	Fair Value
Less than 1 year:	RM'000	RM'000
Currency options	18,525	52
Forward exchange contracts-sell	12,339	93
Forward exchange contracts-buy	38,881	(502)
3 to 5 years:		
Cross currency swap	202,801	(5,860)
Interest rate swap	50,000	(257)

There are no changes to policies related to financial instruments since last financial year.

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:

	Current quarter ended	Cumulative
	31.12.2010	Todate
	31.12.2010	31.12.2010
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>33,136</u>	<u>92,939</u>
Number of ordinary shares in issue ('000)-		
(b) weighted average	<u>393,847</u>	<u>392,335</u>
Basic Earnings per share (sen)	<u>8.41</u>	<u>23.69</u>

B14 Disclosure of audit report qualification

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

QL RESOURCES BERHAD (428915-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2010

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 2010 except for the adoption of the following new FRSs, Amendments to FRSs and Interpretations with effect from 1st January 2010

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS101	Presentation of Financial Statements (Revised)
FRS123	Borrowing Costs (Revised)
FRS139	Financial Instruments: Recognition and measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 101	Presentation of Financial Statements
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 117	Leases
Amendment to FRS 118	Revenue
Amendment to FRS 119	Employee Benefits
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 127	Consolidated and Separate Financial Statements
Amendment to FRS 128	Investments in Associates
Amendment to FRS 131	Interest in Joint Ventures
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting

Sheet2

Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
Amendment to FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 140	Investment Property
Improvements to FRSs	2009
IC Interepretation 9	Reassessment of Embedded Derivatives
IC Interepretation 10	Interim Financial Reporting and Impairment
IC Interepretation 11	FRS2-Group and Treasury Share Transactions
IC Interepretation 13	Customer Loyalty Programmes
IC Interepretation 14	FRS119-The limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction
Amendment to FRS 132	Financial Instruments: Presentation-Classifications of Rights Issues

The adoption of the above does not have any significant financial impact on the Group except for the following:-

a) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. All non-owners changes in equity (i.e comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be present in the statement of changes in equity.

b) Amendment to FRS117, Leases

Prior to the adoption of the Amendment to FRS117, leasehold land were treated as operating leases, with consideration paid being treated as prepaid lease payments.

Upon adoption of the Amendment to FRS117 in relation to classification of leasehold land, the Group has changed the classification of long term leasehold land with remaining lease period exceeding 50 years from operating lease to finance leases in the current quarter. The effect of the reclassification on the comparative of the prior year Statement of Financial Position is as follows:

	As restated RM'000	As previously stated RM'000
Property, plant and equipment	538,189	481,359
Prepaid lease payments	40,210	97,040

c) FRS 139: Financial Instruments - Recognition and Measurement

Sheet2

i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit and loss.

The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

ii) Financial instrument categories and subsequent measurement

a) Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables or available-for-sale financial assets, as appropriate.

a i) *Financial assets at fair value through profit or loss*

These include financial assets held for trading, including derivatives (except for a derivative that is designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. On initial recognition, these financial assets are measured at fair value.

The subsequent measurement of financial assets in this category is at fair value with changes in fair value recognised as gain or losses in the income statement.

a ii) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables and cash and cash equivalents.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses. Any gains or losses arising from derecognition or impairment, and through the amortisation process of loans and receivables are recognised in the income statement.

a iii) *Available-for-sale financial assets (AFS)*

This category comprises investments in equity and debt securities that are not held for trading or designated at fair value through profit or loss.

The subsequent measurement of AFS is at fair value unless the fair value cannot be measured reliably, in which case

Sheet2

they are measured at cost less impairment loss.

Any gains or losses from changes in fair value of investment in this category are recognised directly in equity, (except for impairment losses), until the investment is derecognised, at which time the cumulative gain or loss previously reported in equity is recognised in the income statement.

b) **Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a designated and effective hedging instrument) and financial liabilities that are specifically designated into this category upon initial recognition. These financial liabilities are subsequently measured at their fair values with the gain or loss recognised in the income statement. All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

c) **Hedge accounting**

c i) ***Fair value hedge***

A fair value hedge is a hedge of exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss from remeasuring the hedge instrument at fair value or the foreign currency component of its carrying amount translated at the exchange rate prevailing at the end of the reporting period is recognised in profit or loss. The gain or loss on the hedged item, (except for hedge item categorised as available-for-sale), attributable to the hedge risk is adjusted to the carrying amount of the hedged item and recognised in profit or loss. For hedge item categorised as available-for-sale, the fair value gain or loss attributable to the hedge risk is recognised in profit or loss.

Fair value hedge accounting is discontinued prospectively when the hedging instrument expires, or is sold, terminated or exercised, the hedge is no longer highly effective or the hedge designation is revoked.

c ii) ***Cash flow hedge***

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cashflow hedge, the portion of the gain or loss on the hedging instrument that is

Sheet2

determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not recovered in one or more future periods is reclassified from equity into profit or loss.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into profit or loss.

d) Derivatives

Prior to the adoption of FRS139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit and loss other than derivatives designated as hedging instrument which are accounted for in accordance with the hedge accounting requirements as described in the Note C (Hedge accounting) above.

In accordance with the transitional provision of FRS 139, the above changes are applied prospectively and the comparatives as at 31st March 2010 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the balance sheet as at 1st April 2010.

Equity	Previously stated RM'000	Effect of FRS 139 RM'000	As restated RM'000
Cash Flow Hedge Reserve	Nil	-	-
Retained earnings	316,831	(3,338)	313,493

A2. Seasonal or cyclical factors

Certain segment of the Group's business are affected by cyclical factors.

Sheet2

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) No shares were repurchased from the open market during the current financial quarter under review.
During the current financial quarter, a total of 1,590,200 treasury shares were sold to the open market at an average price of RM5.23 including transaction cost.

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 31.12.2010

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	#REF!	#REF!
Palm Oil Activities	#REF!	#REF!
Integrated Livestock Farming	#REF!	#REF!
Total	<u>#REF!</u>	<u>#REF!</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 1.4.2010
Additions
At 31.12.2010

RM' million
558
<u>24</u>
<u>582</u>

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

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2010

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.12.2010

	3rd quarter ended 31.12.2010	3rd quarter ended 31.12.2009
	RM'000	RM'000
Net cash from operating activities	104,023	110,764
Net cash used in investing activities	-164,100	-60,079
Net cash used in financing activities	33,478	-19,255
Net decrease in cash and cash equivalents	<u>-26,599</u>	<u>31,430</u>
Cash and cash equivalents at 1.4.2010	101,661	61,115
Cash and cash equivalents at 31.12.2010	<u><u>75,062</u></u>	<u><u>92,545</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for year ended 31 March 2010 and the accompanying explanatory notes attached to this interim financial statements.