

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2011

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.6.2011 (UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS			
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING CORRESPONDING	
	1ST QUARTER 1.4.2011 TO 30.6.2011		1ST QUARTER 1.4.2010 TO 30.6.2010		TO-DATE 1.4.2011 TO 30.6.2011		PERIOD 1.4.2010 TO 30.6.2010	
	% increase against last period	RM'000	RM'000		% increase against last period	RM'000	RM'000	
Revenue	18.22%	454,566	384,514		18.22%	454,566	384,514	
Operating Profit	12.12%	52,843	47,132		12.12%	52,843	47,132	
Depreciation and amortisation	18.92%	(12,928)	(10,871)		18.92%	(12,928)	(10,871)	
Interest income	16.18%	201	173		16.18%	201	173	
Finance costs	45.09%	-4,907	-3,382		45.09%	(4,907)	(3,382)	
Share of profit of associates (net)	680.31%	991	127		680.31%	991	127	
Profit Before Taxation	9.10%	36,200	33,179		9.10%	36,200	33,179	
Less: Tax expense		(6,345)	(4,973)	(Effective tax rate)		(6,345)	(4,973)	(Effective tax rate)
Profit for the period	5.84%	29,855	28,206	17.53%	5.84%	29,855	28,206	14.99%
Attributable to:								
Shareholders of the Company	3.71%	27,792	26,797		3.71%	27,792	26,797	
Minority interests		2,063	1,409	5.70% (% against PBT)		2,063	1,409	4.25% (% against PBT)
Profit for the period	5.84%	29,855	28,206		5.84%	29,855	28,206	
Number of shares in issue ('000)	6.51%	832,000	781,155		6.51%	832,000	781,155	
Earnings per share:								
Basic earnings per ordinary shares (sen)	-2.63%	3.34	3.43		-2.63%	3.34	3.43	
Diluted earnings per ordinary shares (sen)		NA	NA			NA	NA	

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2011 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 1ST QUARTER ENDED 30.6.2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.6.2011 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	1ST QUARTER 1.4.2011 TO 30.6.2011	1ST QUARTER 1.4.2010 TO 30.6.2010	1ST QUARTER 1.4.2011 TO 30.6.2011	1ST QUARTER 1.4.2010 TO 30.6.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	29,855	28,206	29,855	28,206
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	1,312	-855	1,312	(855)
Fair value changes on available-for-sales financial assets	<u>3,016</u>	-	<u>3,016</u>	-
Total Comprehensive income	<u>34,183</u>	<u>27,351</u>	<u>34,183</u>	<u>27,351</u>
Attributable to:				
Shareholders of the Company	32,120	25,942	32,120	25,942
Minority interests	2,063	1,409	2,063	1,409
Total Comprehensive income	<u>34,183</u>	<u>27,351</u>	<u>34,183</u>	<u>27,351</u>

The Condensed Consolidated Statement of Comprehensive Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2011. 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 1ST QUARTER ENDED 30.6.2011

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
	1.4.2011 to 30.6.2011	1.4.2010 to 30.6.2010		1.4.2011 to 30.6.2011	1.4.2010 to 30.6.2010	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	104,660	103,035	2%	104,660	103,035	2%
Palm Oil Activities (POA)	114,849	69,355	66%	114,849	69,355	66%
Integrated Livestock Farming (ILF)	235,057	212,124	11%	235,057	212,124	11%
Total	<u>454,566</u>	<u>384,514</u>	18%	454,566	384,514	18%
	1.4.2011 to 30.6.2011	1.4.2010 to 30.6.2010		1.4.2011 to 30.6.2011	1.4.2010 to 30.6.2010	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	11,233	15,116	-26%	11,233	15,116	-26%
Palm Oil Activities (POA)	7,892	1,091	623%	7,892	1,091	623%
Integrated Livestock Farming (ILF)	17,075	16,972	1%	17,075	16,972	1%
Total	<u>36,200</u>	<u>33,179</u>	9%	36,200	33,179	9%

- a. Despite significant capital expenditures last year, MPM's current quarter sales only increased marginally against corresponding quarter due to lower fishmeal prices and poor fish landing in KK (Sabah operation).

Earnings for the current quarter decreased 26% due to the same reason.

- b. POA's current quarter sales increased 66% against corresponding quarter mainly due to improved CPO prices (RM3,332 current qtr vs RM2,511 corresponding qtr) as well as higher FFB processed. FFB processed increased by 28% against corresponding quarter.

However, POA's current quarter earnings increased significantly against corresponding quarter due to:

- improved weather conditions as compared to last year excessive rainfall due to 'La Nina' effect;
- higher contribution from CPO milling and own estates and;
- new contribution arising from acquisition and subsequent listing on Bursa of associate company, Boilermech Holdings Bhd.

- c. ILF's current quarter sales increased 11% against corresponding quarter due mainly to higher unit value of feed raw material. Earnings increased 1% against corresponding quarter due mainly to lower margin from feed raw materials trade.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.4.2011 to 30.6.2011	1.1.2011 to 31.3.2011		1.4.2011 to 30.6.2011	1.1.2011 to 31.3.2011	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	104,660	112,106	-7%	11,233	10,485	7%
Palm Oil Activities (POA)	114,849	103,078	11%	7,892	2,343	237%
Integrated Livestock Farming (ILF)	<u>235,057</u>	<u>287,398</u>	-18%	<u>17,075</u>	<u>27,625</u>	-38%
Total	<u>454,566</u>	<u>502,582</u>	-10%	<u>36,200</u>	<u>40,453</u>	-11%

- a. MPM's current quarter sales decreased 7% against preceding quarter due to poor fish landing and seasonal factors. Earnings increased 7% against preceding quarter due to overall improved margins.
- b. POA's current quarter sales increased 11% against preceding quarter mainly due to higher FFB processed. Earnings increased significantly due to the same reason as well as new contribution arising from acquisition and subsequent listing of associate company, Boilermech Holdings Bhd.
- c. ILF's current quarter sales decreased 18% against preceding quarter due to lower volume of raw material. Earnings decreased 38% against preceding quarter due to lower margins from raw material trade.

B3 Commentary on Prospects for the next quarter to 30 September 2011.

The directors are cautiously optimistic on the Group's performance for the quarter ending 30.9.2011.

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
30.6.2011
RM'000
5,790
<u>555</u>
<u>6,345</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.

B9 Group Borrowings

Short term:

	RM'000
<i>Bank overdraft-short term (unsecured)</i>	5,849
<i>HP Creditors-short term (unsecured)</i>	587
<i>Bankers' acceptance-short term (unsecured)</i>	246,466
<i>Term loans-short term (unsecured)</i>	76,222
	<u>329,124</u>

Long Term:

<i>HP Creditors-long term (unsecured)</i>	76
<i>Term loans-long term (unsecured)</i>	245,047
	<u>245,123</u>

Total Borrowings

574,247

B10 Financial instruments

Outstanding derivatives as at 30th September 2011

Type of derivatives

Less than 1 year:

Forward exchange contracts-sell
Forward exchange contracts-buy

	Contract/Notional value RM'000	Fair Value RM'000
	20,460	(145)
	11,046	(36)

3 to 5 years:

Cross currency swap
Interest rate swap

	200,565	(7,526)
	43,750	(104)

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:

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

	Current quarter ended 30.6.2011	Cumulative Todate 30.6.2011
	<u>27,792</u>	<u>27,792</u>
	<u>832,000</u>	<u>832,000</u>
	<u>3.34</u>	<u>3.34</u>

B15 Realised and Unrealised profits

	30.6.2011	
	RM'000	
Total Retained profit of the Company & its subsidiaries		
Realised		570,857
Unrealised gain/(loss)		<u>(41,942)</u>
		528,915
Total Retained profit of Associates		
Realised	4,423	
Unrealised gain/(loss)	<u>625</u>	
		<u>5,048</u>
		533,963
Consolidation Adjustments		<u>(94,491)</u>
Total Group Retained profit as per consolidated accounts		<u><u>439,472</u></u>

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

QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30.6.2011 RM'000	At 31.3.2011 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	758,768	680,597
Intangible assets	1,403	3,849
Biological assets	89,408	82,465
Prepaid lease payments	47,873	53,275
Investment properties	11,779	7,195
Investment in Associates	38,935	35,319
Other long term investments	22,374	18,635
Deferred tax asset	1,129	1,397
Other receivables	-	472
Goodwill	4,775	4,775
Total non-current assets	976,444	887,979
Current Assets		
Inventories	219,255	170,013
Biological assets	38,556	40,197
Trade receivables	160,875	166,027
Other receivables	84,340	75,342
Current tax assets	12,365	9,867
Derivative financial instruments	-	887
Cash and cash equivalents	105,397	122,057
	620,788	584,390
Total Assets	1,597,232	1,472,369
EQUITY AND LIABILITIES		
Equity		
Share Capital	208,000	208,000
Treasury Shares	-	-
Reserves	560,041	527,921
Equity attributable to shareholders of the Company	768,041	735,921
Minority interests	66,717	63,431
Total Equity	834,758	799,352
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	245,124	230,666
Deferred income	135	-
	245,259	230,666
Deferred tax liabilities	44,876	43,422
	290,135	274,088
Current Liabilities		
Payables	137,325	126,452
Short term borrowings	329,124	267,726
Taxation	5,890	4,751
	472,339	398,929
Total Liabilities	762,474	673,017
Total equity and liabilities	1,597,232	1,472,369
Net Assets per share (RM)	0.92	0.94
Based on number of shares:('000)	832,000	781,155

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2011 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 30.6.2011

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2011

	Share Capital	Share Premium	Treasury Shares	Non-Distributable Available for sale reserve	Non-Distributable Exchange Translation Reserve	Distributable 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	RM'000	RM'000
3 months ended 30.6.11									
At 1.4.2011	208,000	113,561	-	7,022	(4,342)	411,680	735,921	63,431	799,352
Effect arising from adoption of FRS 139				-		-			-
At 1.4.2011 -restated	208,000	113,561	-	7,022	(4,342)	411,680	735,921	63,431	799,352
Total comprehensive income for the period				3,016	1,312	27,792	32,120	2,063	34,183
Issuance of shares								1,223	1,223
At 30.6.2011	208,000	113,561	-	10,038	(3,030)	439,472	768,041	66,717	834,758

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The unaudited 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 2011.

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:

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

A3.

Unusual items

There are no unusual items that have material effect on the assets, liabilities, equity, net income or cash flow 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 issuance of 1,602 ordinary shares of 25sen each.

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	Turnover RM'000
	104,660
	114,849
Marine products manufacturing	235,057
Palm Oil Activities	<u>454,566</u>
Integrated Livestock Farming	

A8.

Property, plant and equipment

A9.

The valuations of land and building have been brought forward, without amendment from the previous annual report.

Material subsequent Event

A10.

There were no material events subsequent to the end of current quarter that have not been reflected in the financial statements.

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 1.4.2011

A12.

Additions
At 30.6.2011

Disclosure of audit report qualification

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

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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2011

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2011

	1st quarter ended 30.6.2011 RM'000	1st quarter ended 30.6.2010 RM'000
Net cash from operating activities	76,785	52,143
Net cash used in investing activities	-116,682	-63,973
Net cash used in financing activities	22,240	-23,837
Net decrease in cash and cash equivalents	<u>-17,657</u>	<u>-35,667</u>
Cash and cash equivalents at beginning	117,205	101,661
Cash and cash equivalents at end of period	<u><u>99,548</u></u>	<u><u>65,994</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial statements.