

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2011

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2011 (UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS				
	% increase against last period	CURRENT YEAR		PRECEDING YEAR	% increase against last period	CURRENT YEAR		PRECEDING CORRESPONDING	
		3RD QUARTER 1.10.2011 TO 31.12.2011		3RD QUARTER 1.10.2010 TO 31.12.2010		TO-DATE 1.4.2011 TO 31.12.2011		PERIOD 1.4.2010 TO 31.12.2010	
	RM'000		RM'000		RM'000		RM'000		
Revenue	10.65%	498,960		450,949	13.70%	1,448,711		1,274,188	
Operating Profit	6.25%	64,406		60,615	8.94%	180,890		166,044	
Depreciation and amortisation	21.76%	(14,563)		(11,960)	20.87%	(40,738)		(33,705)	
Interest income	25.18%	701		560	33.19%	1,264		949	
Finance costs	-5.80%	-6,010		-6,380	11.58%	(16,424)		(14,719)	
Share of profit of associates (net)		1,862		1,562		5,374		1,819	
Profit Before Taxation	4.50%	46,396		44,397	8.29%	130,366		120,388	
Less: Tax expense		(9,497)	(Effective tax rate) 20.47%	(8,648)		(25,091)	(Effective tax rate) 19.25%	(20,029)	(Effective tax rate) 16.64%
Profit for the period	3.22%	36,899		35,749	4.90%	105,275		100,359	
Attributable to:									
Shareholders of the Company	3.88%	34,421		33,136	7.83%	100,213		92,939	
Minority interests		2,478	5.34% (% against PBT)	2,613		5,062	3.88% (% against PBT)	7,420	6.16% (% against PBT)
Profit for the period	3.22%	36,899		35,749	4.90%	105,275		100,359	
Number of shares in issue ('000)	5.49%	832,000		788,736	6.03%	832,000		784,713	
Earnings per share:									
Basic earnings per ordinary shares (sen)	-1.52%	4.14		4.20	1.70%	12.04		11.84	
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"

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.12.2011 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	3RD QUARTER 1.10.2011 TO 31.12.2011	3RD QUARTER 1.7.2010 TO 31.12.2010	1.4.2011 TO 31.12.2011	1.4.2010 TO 31.12.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period	36,899	35,749	105,275	100,359
Other comprehensive income/(loss), net of tax:				
Cash flow hedge reserve	(285)	-	(1,290)	-
Foreign currency translation differences for foreign operations	(9,740)	-1,510	(1,741)	(4,540)
Fair value changes on available-for-sales financial assets	-	(532)	(7,022)	7,699
Total Comprehensive income	<u>26,874</u>	<u>33,707</u>	<u>95,222</u>	<u>103,518</u>
Attributable to:				
Shareholders of the Company	21,812	31,094	90,160	96,098
Minority interests	5,062	2,613	5,062	7,420
Total Comprehensive income	<u>26,874</u>	<u>33,707</u>	<u>95,222</u>	<u>103,518</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)

QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31.12.2011 RM'000	At 31.3.2011 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	848,081	680,597
Intangible assets	960	1,559
Biological assets	101,052	82,465
Prepaid lease payments	49,434	53,275
Investment properties	7,657	7,195
Investment in Associates	63,623	35,319
Available-for-sale investment	-	18,635
Other long term investments	1,699	-
Deferred tax asset	667	1,397
Other receivables	-	472
Goodwill	6,775	6,593
Total non-current assets	1,079,948	887,507
Current Assets		
Inventories	43 days 193,896	42 days 170,013
Biological assets	47,434	40,197
Trade receivables	35 days 186,370	34 days 166,027
Other receivables	70,531	75,814
Current tax assets	13,523	9,867
Derivative financial instruments	-	887
Cash and cash equivalents	128,211	122,057
	639,965	584,862
Total Assets	1,719,913	1,472,369
EQUITY AND LIABILITIES		
Equity		
Share Capital	208,000	208,000
Treasury Shares	-	-
Reserves	582,707	527,921
Equity attributable to shareholders of the Company	790,707	735,921
Minority interests	65,914	63,431
Total Equity	856,621	799,352
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	35% 300,602	29% 230,666
Deferred income	-	-
Deferred tax liabilities	51,169	43,422
	351,771	274,088
Current Liabilities		
Payables	142,387	126,452
Short term borrowings	358,763	267,726
Taxation	10,371	4,751
	511,521	398,929
Total Liabilities	863,292	673,017
Total equity and liabilities	1,719,913	1,472,369
Net Assets per share (RM)	0.95	0.88
Based on number of shares:('000)	832,000	832,000

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)
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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2011

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 2011

	Share Capital	Share Premium	Treasury Shares	Non-Distributable Available for sale reserve	Non-Distributable Cash flow hedge 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	RM'000
9 months ended 30.9.11										
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				(7,022)	(1,290)	(1,741)	100,213	90,160	5,062	95,222
Dividend paid							(35,357)	(35,357)	(2,579)	(37,936)
Corporate expenses		(22)						(22)		(22)
Conversion of warrants		5						5		5
At 31.12.2011	208,000	113,544	-	-	(1,290)	(6,083)	476,536	790,707	65,914	856,621
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)
At 1.4.2010-restated	197,586	-	(11,893)	-	-	281	313,493	502,805	55,799	555,266
Total comprehensive income for the period				7,699		(4,540)	92,939	96,098	7,420	103,518
Treasury shares sold/buyback		8,481	11,651					20,132	-	20,132
Additional interest in subsidiary								-	430	430
Dividend paid							(29,504)	(29,504)	(1,718)	(31,222)
At 31.12.2010	197,586	8,481	(242)	7,699	-	(4,259)	376,928	589,531	61,931	648,124

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.

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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2011

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 1.4.2011 to 31.12.2011

	9 months ended 31.12.2011 RM'000	9 months ended 31.12.2010 RM'000
Net cash from operating activities	93,958	104,023
Net cash used in investing activities	-210,797	-164,100
Net cash from financing activities	<u>122,993</u>	<u>33,478</u>
Net increase in cash and cash equivalents	6,154	-26,599
Cash and cash equivalents at 1.4.2011	122,057	101,661
Cash and cash equivalents at 30.9.2011	<u><u>128,211</u></u>	<u><u>75,062</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.

QL RESOURCES BERHAD (428915-X)

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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2011

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
	1.10.2011 to 31.12.2011	1.10.2010 to 31.12.2010		1.4.2011 to 31.12.2011	1.4.2010 to 31.12.2010	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	133,707	117,140	14%	352,358	338,264	4%
Palm Oil Activities (POA)	76,008	87,055	-13%	278,943	229,185	22%
Integrated Livestock Farming (ILF)	289,245	246,754	17%	817,410	706,739	16%
Total	498,960	450,949	11%	1,448,711	1,274,188	14%
	1.10.2011 to 31.12.2011	1.10.2010 to 31.12.2010		1.4.2011 to 31.12.2011	1.4.2010 to 31.12.2010	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	21,123	17,767	19%	48,000	52,960	-9%
Palm Oil Activities (POA)	713	806	-12%	12,154	2,956	311%
Integrated Livestock Farming (ILF)	24,560	25,824	-5%	70,212	64,472	9%
Total	46,396	44,397	5%	130,366	120,388	8%

- a. MPM's current quarter sales increased 14% against corresponding quarter due to higher contribution from surimi and surimi-based products. Cumulatively, sales increased 4% for the same reason.

Earnings for the current quarter increased 19% due higher surimi and surimi-based products contribution. Cumulatively, earnings decreased 9% due to lower fish catch in Q1 & Q2.

- b. POA's current quarter sales decreased 13% against corresponding quarter mainly due to lower CPO prices (RM2,956 current qtr vs RM3,124 corresponding qtr). However, cumulatively sales increased 22% due to higher FFB processed and higher CPO prices in the previous quarters.

POA's current quarter earnings decreased 12% against corresponding quarter mainly due to lower OER from CPO Mills and competition for FFB supplies. Cumulatively, earnings increased significantly mainly due to higher FFB processed as well as higher contribution from associate.

- c. ILF's current quarter sales increased 17% against corresponding quarter mainly due to higher sales contribution from farm products and higher unit price of animal feed raw materials (such as corn). Cumulatively, sales increased 16% due to the same reason.

Earnings, however decreased 5% against corresponding quarter due to lower margins from raw materials trade caused by intense competition in domestic market. However, cumulatively earnings increased 9% mainly due to better farm produce margin.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2011 to 31.12.2011	1.7.2011 to 30.9.2011		1.10.2011 to 31.12.2011	1.7.2011 to 30.9.2011	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	133,707	113,990	17%	21,123	15,644	35%
Palm Oil Activities (POA)	76,008	88,086	-14%	713	3,550	-80%
Integrated Livestock Farming (ILF)	<u>289,245</u>	<u>293,108</u>	-1%	<u>24,560</u>	<u>28,576</u>	-14%
Total	<u>498,960</u>	<u>495,184</u>	1%	<u>46,396</u>	<u>47,770</u>	-3%

- MPM's current quarter sales increased 17% against preceding quarter due to seasonal effect. Earnings increased 35% due to the same reason.
- POA's current quarter sales decreased 14% against preceding quarter mainly due to lower CPO prices and lower OER. Earnings decreased significantly partly due to competition for FFB supplies, lower OER, CPO prices and volume of CPO sold respectively.
- ILF's current quarter sales decreased 1% against preceding quarter due to lower volume of raw material traded as well as lower unit cost of raw materials. However, earnings decreased significantly against preceding quarter partly due to startup losses in Vietnam poultry project and lower margin from raw material trade.

B3 Commentary on Prospects for the current financial year

Fishery activities' 3rd quarter performance was very encouraging. However keen competition in raw material trade continues to affect raw material trade margin in the 3rd quarter. We expect operating environment going forward will continue to be challenging however the management are cautiously optimistic on Q4 performance and we expect see earnings contribution from our Indonesian operations.

B4 Profit Forecast

No profit forecast was published during the period under review.

B5 Tax expense

Current income tax expense
Deferred tax expense

The effective tax rate is lower than the statutory rate is mainly due to availability of tax incentives.

Cumulative period

Todate 31.12.2011 <hr/> RM'000
17,064
<u>8,027</u>
<u>25,091</u>

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:**

Bank overdraft-short term (unsecured)

RM'000

14,783

HP Creditors-short term (unsecured)

142

Bankers' acceptance-short term (unsecured)

260,018

Term loans-short term (unsecured)

83,820

358,763

Long Term:

HP Creditors-long term (unsecured)

14

Term loans-long term (unsecured)

300,588

300,602

Total Borrowings

659,365

B10 Financial instruments

Outstanding derivatives as at 30th September 2010

Type of derivatives**Less than 1 year:-**

Forward exchange contract-sell

Contract/Notional value

Fair Value

RM'000

RM'000

27,494

(217)

Forward exchange contract-buy

32,281

(64)

Currency options-buy

4,435

38

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 31.12.2011	Cumulative Todate 31.12.2011
	<u>34,421</u>	<u>100,213</u>
	<u>832,000</u>	<u>832,000</u>
	<u>4.14</u>	<u>12.04</u>

B14 Disclosure of audit report qualification

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

B15 Realised and Unrealised profits

	31.12.2011
	RM'000
Total Retained profit of the Company & its subsidiaries	
Realised	558,202
Unrealised gain/(loss)	<u>(53,897)</u>
	504,305
Total Retained profit of Associates	
Realised	5,476
Unrealised gain/(loss)	<u>-</u>
	<u>5,476</u>
	509,781
Consolidation Adjustments	<u>(33,218)</u>
Total Group Retained profit as per consolidated accounts	<u><u>476,563</u></u>

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2011

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 FR5 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 10 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 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.

A6. Dividend Paid

During the quarter under review, no dividend was paid.

A7. Segmental Information

Segment information in respect of the Group's business segments for the 3rd quarter ended 31.12.2011.

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	133,707	21,123
Palm Oil Activities	76,008	713
Integrated Livestock Farming	289,245	24,560
Total	<u>498,960</u>	<u>46,396</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 1.4.2011	572
Additions	149
At 31.12.2011	<u>721</u>

A12 Disclosure of audit report qualification

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