

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2012

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.6.2012 (UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS					
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING PERIOD			
	1.4.2012 TO 30.6.2012		1.4.2011 TO 30.6.2011		1.4.2012 TO 30.6.2012		1.4.2011 TO 30.6.2011			
	% increase against last period	RM'000		RM'000		% increase against last period	RM'000		RM'000	
Revenue	8.8%	494,362		454,566		8.8%	494,362		454,566	
Operating Profit	11.9%	59,153		52,843		11.9%	59,153		52,843	
Depreciation and amortisation	19.1%	(15,396)		(12,928)		19.1%	(15,396)		(12,928)	
Interest income	69.2%	340		201		69.2%	340		201	
Finance costs	26.8%	-6,224		-4,907		26.8%	(6,224)		(4,907)	
Share of profit of associates (net)		3,743		991			3,743		991	
Profit Before Taxation	15.0%	41,616		36,200		15.0%	41,616		36,200	
Less: Tax expense		(8,533)	(Effective tax rate) 20.5%	(6,345)	(Effective tax rate) 17.5%		(8,533)	(Effective tax rate) 20.5%	(6,345)	(Effective tax rate) 17.5%
Profit for the period	10.8%	33,083		29,855		10.8%	33,083		29,855	
Attributable to:										
Shareholders of the Company	13.1%	31,424		27,792		13.1%	31,424		27,792	
Minority interests		1,659	3.99% (% against PBT)	2,063	5.70% (% against PBT)		1,659	3.99% (% against PBT)	2,063	5.70% (% against PBT)
Profit for the period	10.8%	33,083		29,855		10.8%	33,083		29,855	
Number of shares in issue ('000)		832,000		832,000		0.0%	832,000		832,000	
Earnings per share:										
Basic earnings per ordinary shares (sen)	13.1%	3.78		3.34		13.1%	3.78		3.34	
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 2012 and 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 30.6.2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.6.2012 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	1ST QUARTER 1.4.2012 TO 30.6.2012	1ST QUARTER 1.4.2011 TO 30.6.2011	1ST QUARTER 1.4.2012 TO 30.6.2012	1ST QUARTER 1.4.2011 TO 30.6.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	33,083	29,855	33,083	29,855
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	1,968	1,312	1,968	1,312
Cash Flow Hedge	-826	-	(826)	-
Fair value changes on available-for-sales financial assets	-	3,016	-	3,016
Total Comprehensive income	<u>34,225</u>	<u>34,183</u>	<u>34,225</u>	<u>34,183</u>
Attributable to:				
Shareholders of the Company	32,591	32,120	32,591	32,120
Minority interests	1,634	2,063	1,634	2,063
Total Comprehensive income	<u>34,225</u>	<u>34,183</u>	<u>34,225</u>	<u>34,183</u>

The Condensed Consolidated Statement of Comprehensive Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2012 and the accompanying explanatory notes attached to this interim financial statements.

Note: NA denotes "Not Applicable"

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QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30.6.2012 RM'000	At 31.3.2012 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	886,906	877,260
Intangible assets	7,550	7,586
Biological assets	109,542	103,979
Prepaid lease payments	50,590	51,700
Investment properties	11,533	4,077
Investment in Associates	71,390	65,819
Other long term investments	-	40
Deferred tax asset	607	593
Other receivables	1,727	1,355
Total non-current assets	1,139,845	1,112,409
Current Assets		
Inventories	32 days 148,830	34 days 153,207
Biological assets	65,707	61,365
Trade receivables	38 days 211,238	40 days 215,000
Other receivables	31,607	17,924
Current tax assets	9,959	9,249
Cash and cash equivalents	109,963	101,503
	<u>577,304</u>	<u>558,248</u>
Total Assets	1,717,149	1,670,657
EQUITY AND LIABILITIES		
Equity		
Share Capital	208,000	208,000
Treasury Shares	-	-
Reserves	636,162	603,596
Equity attributable to shareholders of the Company	844,162	811,596
Minority interests	69,345	68,438
Total Equity	913,507	880,034
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	38% 347,643	35% 304,375
Deferred income	254	368
Deferred tax liabilities	55,410	54,018
	<u>403,307</u>	<u>358,761</u>
Current Liabilities		
Payables	141,742	136,779
Short term borrowings	250,862	292,143
Taxation	7,731	2,940
	<u>400,335</u>	<u>431,862</u>
Total Liabilities	803,642	790,623
Total equity and liabilities	1,717,149	1,670,657
Net Assets per share (RM)	1.01	0.98
Based on number of shares:('000)	<u>832,000</u>	<u>832,000</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2012

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2012

	Non-Distributable	Non-Distributable	Non-Distributable	Non-Distributable	Non-Distributable	Distributable	Attributable to	Non-	Total Equity
	Share Capital	Share Premium	Treasury Shares	Hedging reserve	Exchange Translation Reserve	Retained Profit	shareholders of the Company	controlling interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30.6.12									
At 1.4.2012	208,000	113,544	-	(574)	(17,101)	507,727	811,596	68,438	880,034
									-
Total comprehensive income for the period				(826)	1,968	31,424	32,566	907	33,473
At 30.6.2012	208,000	113,544	-	(1,400)	(15,133)	539,151	844,162	69,345	913,507

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2012

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2012

	1st quarter ended 30.6.2012 RM'000	1st quarter ended 30.6.2011 RM'000
Profit before tax	41,615	36,200
Adjustments for:		
Depreciation & amortisation	15,396	12,928
(Increase)/Decrease in working capital	(21,945)	(40,271)
Income tax paid	(3,950)	(5,847)
Others	(3,743)	(4,007)
Net cash from operating activities	27,373	(997)
Purchase of fixed assets	(44,902)	(90,281)
Others	(1,828)	(1,238)
Net cash used in investing activities	(46,730)	(91,519)
Net borrowings	28,593	80,708
Net cash from financing activities	28,593	80,708
Net increase in cash and cash equivalents	9,236	(11,808)
Cash and cash equivalents at 1.4.2011	-	-
Cash and cash equivalents at 30.6.2012	9,236	(11,808)

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for year ended 31 March 2012 and the accompanying explanatory notes attached to this 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 2012.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 "Agriculture" and IC Interpretation 15 "Agreements for the Construction of Real Estate", including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 April 2014

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 March 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Adjustments required on transition, if any, will be made retrospectively against opening retained earnings.

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 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

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 1st quarter ended 30.6.2012.

	Profit	
	Turnover RM'000	before tax RM'000
Marine products manufacturing	135,989	17,110
Palm Oil Activities	73,826	3,409
Integrated Livestock Farming	284,547	21,097
Total	<u>494,362</u>	<u>41,616</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 1.4.2012	690
Additions	-
At 30.6.2012	<u>690</u>

A12 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 30.6.2012

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
	1.4.2012 to 30.6.2012	1.4.2011 to 30.6.2011		1.4.2012 to 30.6.2012	1.4.2011 to 30.6.2011	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	135,989	104,660	30%	135,989	104,660	30%
Palm Oil Activities (POA)	73,826	114,849	-36%	73,826	114,849	-36%
Integrated Livestock Farming (ILF)	284,547	235,057	21%	284,547	235,057	21%
Total	494,362	454,566	9%	494,362	454,566	9%
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	17,110	11,233	52%	17,110	11,233	52%
Palm Oil Activities (POA)	3,409	7,892	-57%	3,409	7,892	-57%
Integrated Livestock Farming (ILF)	21,097	17,075	24%	21,097	17,075	24%
Total	41,616	36,200	15%	41,616	36,200	15%

- a. MPM's current quarter sales increased 30% against corresponding quarter mainly due to higher contribution from Surabaya fishery operation as well as improved fish landing in Sabah.
Earnings for the current quarter increased 52% due to the same reason.
- b. POA's current quarter sales decreased 36% against corresponding quarter mainly due to lower contribution from own estates, lower FFB processed as well as lower CPO prices (RM3,195 current qtr vs RM3,332 corresponding qtr).
FFB processed decreased by 34% against corresponding quarter as FFB yield in Sabah contracted year on year (>20%) for the last consecutive 5 months.
We believe this maybe still due to laggard effect of 2010 EL Nino weather.

POA's current quarter earnings decreased 57% against corresponding quarter due to the same reason.
- c. ILF's current quarter sales increased 21% against corresponding quarter due mainly to improved volume of feed raw material traded as well as higher Indonesia's poultry contribution.
Earnings increased 24% against corresponding quarter due mainly to better margin from feed raw materials trade as well as higher contribution from Indonesia's poultry operations.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.4.2012 to	1.1.2012 to		1.4.2012 to	1.1.2012 to	
	30.6.2012	31.3.2012		30.6.2012	31.3.2012	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	135,989	121,315	12%	17,110	13,564	26%
Palm Oil Activities (POA)	73,826	75,849	-3%	3,409	971	251%
Integrated Livestock Farming (ILF)	<u>284,547</u>	<u>300,999</u>	-5%	<u>21,097</u>	<u>27,924</u>	-24%
Total	<u>494,362</u>	<u>498,163</u>	-1%	<u>41,616</u>	<u>42,459</u>	-2%

- a. MPM's current quarter sales increased 12% against preceding quarter due to better seasonal fish landing in Surabaya and Endau region. Earnings increased 26% against preceding quarter due to the same reason as well as better fishmeal margin.
- b. POA's current quarter sales decreased 3% against preceding quarter mainly due to decreased in FFB processed. Earnings increased significantly due to higher contribution from associate company, Boilermech Holdings Bhd.
- c. Although unit value of raw material has increased, ILF's current quarter sales decreased 5% against preceding quarter mainly due to lower volume of raw material traded. Earnings decreased 24% against preceding quarter due to lower contributions from Peninsular Malaysia Poultry Farm.

B3 Commentary on Prospects for the next quarter to 30 September 2012.

The management are upbeat with Indonesia's fisheries and poultry farming operations. However in Q2, Peninsular Poultry egg performance was affected by poor egg prices as well as rising raw material cost. Despite these, the management are cautiously optimistic on the Group's performance for the quarter ending 30.9.2012.

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
30.6.2012

RM'000
8,031
502
8,533

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>	13,085
<i>HP Creditors-short term (unsecured)</i>	117
<i>Bankers' acceptance-short term (unsecured)</i>	150,401
<i>Term loans-short term (unsecured)</i>	78,509
<i>Sukuk-unsecured</i>	8,750
	250,862

Long Term:

<i>HP Creditors-long term (unsecured)</i>	38
<i>Term loans-long term (unsecured)</i>	318,260
<i>Sukuk-long term (unsecured)</i>	29,345
	347,643

Total Borrowings

	598,505
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B10 Financial instruments

Outstanding derivatives as at 30.6.2012

Type of derivatives

Less than 1 year:

	Contract/Notional value RM'000	Fair Value RM'000
Forward exchange contracts-sell	34,452	(416)
Forward exchange contracts-buy	62,513	142
Commodity option	1,860	(70)

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 30.6.2012	Cumulative Todate 30.6.2012
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>31,424</u>	<u>31,424</u>
(b) Number of ordinary shares in issue ('000)- weighted average	<u>832,000</u>	<u>832,000</u>
Basic Earnings per share (sen)	<u>3.78</u>	<u>3.78</u>

B15 Realised and Unrealised profits

Total Retained profit of the Company & its subsidiaries	RM'000	
Realised		574,034
Unrealised		<u>54,805</u>
		628,839
 Total Retained profit of Associates		
Realised	<u>12,931</u>	<u>12,931</u>
		641,770
 Consolidation Adjustments		<u>(102,618)</u>
Total Group Retained profit as per consolidated accounts		<u><u>539,152</u></u>