

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2012

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.9.2012 (UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS				
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING CORRESPONDING PERIOD		
	2ND QUARTER 1.7.2012 TO 30.9.2012		2ND QUARTER 1.7.2011 TO 30.9.2011		TO-DATE 1.4.2012 TO 30.9.2012		PERIOD 1.4.2011 TO 30.9.2011		
	% increase against last period	RM'000		RM'000	% increase against last period	RM'000		RM'000	
Revenue	11.6%	552,451		495,185	10.2%	1,046,813		949,751	
Operating Profit	8.2%	68,843		63,641	9.9%	127,996		116,483	
Depreciation and amortisation	8.3%	(14,352)		(13,247)	13.7%	(29,748)		(26,175)	
Interest income	28.7%	466		362	43.2%	806		563	
Finance costs	28.6%	-7,084		-5,507	27.8%	(13,308)		(10,414)	
Share of profit of associates (net)		331		2,521		4,074		3,512	
Profit Before Taxation	0.9%	48,204		47,770	7.0%	89,820		83,969	
			(Effective tax rate)				(Effective tax rate)		
Less: Tax expense		(9,166)	19.0%	(9,249)	19.4%	(17,699)	19.7%	(15,594)	18.6%
Profit for the period	1.3%	39,038		38,521	5.5%	72,121		68,375	
Attributable to:									
Shareholders of the Company	-3.0%	36,866		38,001	3.8%	68,290		65,791	
Minority interests		2,172	4.51% (% against PBT)	520	1.09% (% against PBT)	3,831	4.27% (% against PBT)	2,584	3.08% (% against PBT)
Profit for the period	1.3%	39,038		38,521	5.5%	72,121		68,375	
Number of shares in issue ('000)		832,000		832,000		832,000		832,000	
Earnings per share:									
Basic earnings per ordinary shares (sen)	-3.0%	4.43		4.57	3.8%	8.21		7.91	
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 2ND QUARTER ENDED 30.9.2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.9.2012 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	2nd QUARTER 1.7.2012 TO 30.9.2012	2nd QUARTER 1.7.2011 TO 30.9.2011	TO DATE 1.4.2012 TO 30.9.2012	PERIOD 1.4.2011 TO 30.9.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	39,038	38,521	72,121	68,375
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	(15,512)	7,999	(13,544)	9,311
Cash Flow Hedge	(2,107)	(1,005)	1,281	(1,005)
Fair value changes on available-for-sales financial assets	-	(7,022)	-	(10,038)
Total Comprehensive income	<u>21,419</u>	<u>38,493</u>	<u>59,858</u>	<u>66,643</u>
Attributable to:				
Shareholders of the Company	19,222	37,972	56,027	64,059
Minority interests	2,197	521	3,831	2,584
Total Comprehensive income	<u>21,419</u>	<u>38,493</u>	<u>59,858</u>	<u>66,643</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"

QL RESOURCES BERHAD (428915-X)
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QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30.9.2012 RM'000	At 31.3.2012 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	896,739	877,260
Intangible assets	7,418	7,586
Biological assets	106,626	103,979
Prepaid lease payments	51,208	51,700
Investment properties	11,464	4,077
Investment in Associates	71,094	65,819
Other long term investments	-	40
Deferred tax asset	316	593
Other receivables	2,191	1,355
Total non-current assets	1,147,056	1,112,409
Current Assets		
Inventories	43 days 219,372	34 days 153,207
Biological assets	66,816	61,365
Trade receivables	37 days 211,978	40 days 173,077
Other receivables	65,784	59,847
Current tax assets	11,058	9,249
Cash and cash equivalents	98,575	101,503
	673,583	558,248
Total Assets	1,820,639	1,670,657
EQUITY AND LIABILITIES		
Equity		
Share Capital	208,000	208,000
Reserves	622,172	603,596
Equity attributable to shareholders of the Company	830,172	811,596
Minority interests	68,818	68,438
Total Equity	898,990	880,034
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	37% 332,144	35% 304,375
Deferred income	-	368
Deferred tax liabilities	54,886	54,018
	387,030	358,761
Current Liabilities		
Payables	144,799	136,779
Short term borrowings	377,491	292,143
Taxation	12,329	2,940
	534,619	431,862
Total Liabilities	921,649	790,623
Total equity and liabilities	1,820,639	1,670,657
Net Assets per share (RM)	1.00	0.98
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 2012 and the accompanying explanatory notes attached to the interim financial statements.

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

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2012

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

	Non-Distributable	Non-Distributable	Non-Distributable	Non-Distributable	Non-Distributable	Distributable	Attributable to shareholders of the Company	Non- controlling interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Hedging reserve	Exchange Translation Reserve	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30.9.12									
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				1,281	(13,544)	68,290	56,027	3,831	59,858
Dividend paid						(37,451)	(37,451)	(3,451)	(40,902)
At 30.9.2012	208,000	113,544	-	707	(30,645)	538,566	830,172	68,818	898,990

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 2ND QUARTER ENDED 30.9.2012

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

	2nd quarter ended 30.9.2012 RM'000	2nd quarter ended 30.9.2011 RM'000
Profit before tax	89,820	83,969
Adjustments for:		
Depreciation & amortisation	29,748	26,175
(Increase)/Decrease in working capital	(138,228)	(29,159)
Income tax paid	(8,975)	(9,618)
Others	(3,414)	(4,551)
Net cash from operating activities	(31,049)	66,816
Purchase of fixed assets	(42,892)	(141,284)
Others	(1,201)	(3,121)
Net cash used in investing activities	(44,093)	(144,405)
Net borrowings	114,964	139,259
Dividend paid to Minority interest	(3,455)	(2,625)
Dividend paid to Shareholders	(37,451)	(35,357)
Net cash from financing activities	74,058	101,277
Net increase in cash and cash equivalents	(1,084)	23,688
Cash and cash equivalents at 1.4.2012	-	122,057
Cash and cash equivalents at 30.9.2012	(1,084)	145,745

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.

QL RESOURCES BERHAD (428915-X)
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INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2012

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 2nd quarter ended 30.9.2012.

	Turnover RM'000	Profit before tax RM'000
Marine products manufacturing	272,679	43,492
Palm Oil Activities	143,847	5,738
Integrated Livestock Farming	630,286	40,590
Total	1,046,812	89,820

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	11
At 30.9.2012	701

A12 Disclosure of audit report qualification

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

QL RESOURCES BERHAD (428915-X)

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INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 30.9.2012

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
	1.7.2012 to 30.9.2012	1.7.2011 to 30.9.2011		1.4.2012 to 30.9.2012
	Sales	Sales		Sales
	RM'000	RM'000		RM'000
Marine product manufacturing (MPM)	136,690	113,990	20%	272,679
Palm Oil Activities (POA)	70,021	88,086	-21%	143,847
Integrated Livestock Farming (ILF)	<u>345,739</u>	<u>293,109</u>	18%	630,286
Total	<u>552,450</u>	<u>495,185</u>	12%	<u>1,046,812</u>
	1.7.2012 to 30.9.2012	1.7.2011 to 30.9.2011		1.4.2012 to 30.9.2012
	Profit before tax	Profit before tax		Profit before tax
	RM'000	RM'000		RM'000
Marine product manufacturing (MPM)	26,383	15,644	69%	43,492
Palm Oil Activities (POA)	2,329	3,551	-34%	5,738
Integrated Livestock Farming (ILF)	<u>19,492</u>	<u>28,575</u>	-32%	40,590
Total	<u>48,204</u>	<u>47,770</u>	1%	<u>89,820</u>

- a. MPM's current quarter sales increased 20% against corresponding quarter due to overall higher contribution across all fishery operat
MPM's current earnings increased 69% against corresponding quarter due to better volume and margins.

Cumulative sales increased 25% due to higher contribution from surimi and fishmeal operations in Malaysia and Indonesia. Surimi-b. Cumulative earnings increased 62% due to the same reasons.

- b. POA's current quarter sales decreased 21% against corresponding quarter mainly due to lower CPO prices and lower crop size espe POA's current quarter earnings decreased 34% due to the same reason.

POA's cumulative sales decreased 29% mainly due to lower CPO prices (Current year average of RM3002 per mt vs last year of RM and lower crop from own estates.

Cumulative earnings also decreased 50% due to the same reason.

- c. ILF's current quarter sales increased 18% against corresponding quarter mainly due to higher unit price of feed raw material and high Current quarter earnings, however decreased 32% against corresponding quarter due to poor egg margins (lower egg price and high

Cumulative sales increased 19% due to higher unit cost of feed raw materials traded.

However, cumulative earnings decreased 11% only mainly due to lower egg price and higher feed cost.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter
	1.7.2012 to 30.9.2012	1.4.2012 to 30.6.2012		1.7.2012 to 30.9.2012
	Sales	Sales		Profit before tax
Activities:				
Marine product manufacturing (MPM)	136,690	135,989	1%	26,383
Palm Oil Activities (POA)	70,021	73,826	-5%	2,329
Integrated Livestock Farming (ILF)	345,739	284,547	22%	19,492
Total	<u>552,450</u>	<u>494,362</u>	12%	<u>48,204</u>

- a. MPM's current quarter sales increased 1% against preceding quarter due to seasonal factor. Earnings increased 54% against preceding quarter due to the same reason as well as better fishmeal margin, higher surin

- b. POA's current quarter sales decreased 5% against preceding quarter mainly due to decreased in FFB processed and low Earnings decreased 32% due to the same reason as well as lower CPO price (RM2810 current qtr vs RM3195 preceding
- c. ILF's current quarter sales increased 22% against preceding quarter mainly due to higher volume and unit cost of raw mat Earnings decreased 8% against preceding quarter due to lower contributions from Peninsular Malaysia Poultry Farm.

B3 Commentary on Prospects for the next quarter to 31 December 2012.

Peninsular Poultry's egg performance in Q3 continues to be challenging as in Q1 & Q2. However, we expect our fishery operations both in Malaysia and Indonesia to continue to perform. Overall, the management remains cautious on Q3 performance.

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.

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)

HP Creditors-short term (unsecured)

Bankers' acceptance-short term (unsecured)

Term loans-short term (unsecured)

Sukuk-unsecured

Long Term:

HP Creditors-long term (unsecured)

Term loans-long term (unsecured)

Sukuk-long term (unsecured)

Total Borrowings

B10 Financial instruments

Outstanding derivatives as at 30.6.2012

Type of derivatives

Less than 1 year:

Forward exchange contracts-sell

Forward exchange contracts-buy

Commodity option

Contract/Notional value

RM'000

17,993

70,159

1,860

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)-
(b) weighted average
Basic Earnings per share (sen)

Current quarter ended
30.9.2012

36,866

-

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B14 Realised and Unrealised profits

Total Retained profit of the Company & its subsidiaries
Realised
Unrealised

Total Retained profit of Associates
Realised

Consolidation Adjustments
Total Group Retained profit as per consolidated accounts

Cumulative corresponding quarters last year	% change
1.4.2011 to 30.9.2011	
Sales	
RM'000	
218,651	25%
202,935	-29%
528,165	19%
949,751	10%
1.4.2011 to 30.9.2011	
Profit before tax	
RM'000	
26,877	62%
11,441	-50%
45,651	-11%
<u>83,969</u>	7%

ions.

ased operation in Malaysia also achieved higher contribution.

pecially in July & August 2012 (CPO price: RM2,810 current qtr vs RM3,090

13213 per mt) as well as lower FFB processed

her sales contribution from Indonesia's poultry farm operation.
h feed cost) from Vietnam and Peninsular Malaysia's poultry farms operat

Preceding quarter	% change
1.4.2012 to 30.6.2012	
Profit before tax	
17,110	54%
3,409	-32%
<u>21,097</u>	-8%
<u>41,616</u>	16%

ni contribution and better fish catch.

er own plantation crop size.
qtr)

erials traded.

Cumulative period

Todate
30.9.2012

RM'000

17,206

523

17,729

RM'000

12,017

151

267,902

88,671

8,750

377,491

148

308,089

23,907

332,144

709,635

Fair Value

RM'000

278

99

(83)

**Cumulative
Todate
30.9.2012**

68,290

-
#DIV/0!

RM'000

563,080

54,867

617,947

13,263

-

631,210

(92,674)

538,536