

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2012

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2012(UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS				
	% increase against last period	CURRENT YEAR	PRECEDING YEAR	% increase against last period	CURRENT YEAR	PRECEDING CORRESPONDING	% increase against last period	CURRENT YEAR	PRECEDING CORRESPONDING
		3RD QUARTER 1.10.2012 TO 31.12.2012	3RD QUARTER 1.10.2011 TO 31.12.2011		TO-DATE 1.4.2012 TO 31.12.2012	PERIOD 1.4.2011 TO 31.12.2011			
	RM'000	RM'000		RM'000	RM'000		RM'000	RM'000	
Revenue	7.6%	536,880	498,960	9.3%	1,583,845	1,448,711			
Operating Profit	-3.1%	62,425	64,406	5.7%	191,221	180,890			
Depreciation and amortisation	15.9%	(16,876)	(14,563)	14.4%	(46,624)	(40,738)			
Interest income	-33.4%	467	701	0.7%	1,273	1,264			
Finance costs	22.7%	(7,375)	(6,010)	25.9%	(20,683)	(16,424)			
Share of profit of associates (net)		2,219	1,862		5,492	5,374			
Profit Before Taxation	-11.93%	40,860	46,396	0.24%	130,678	130,366			
Less: Tax expense		(7,598)	(9,497)		(25,406)	(25,091)			
		(Effective tax rate)	(Effective tax rate)		(Effective tax rate)	(Effective tax rate)			
		18.6%	20.47%		19.4%	19.2%			
Profit for the period	-9.9%	33,261	36,899	0.0%	105,272	105,275			
Attributable to:									
Shareholders of the Company	-8.4%	31,536	34,421	-0.50%	99,715	100,213			
Minority interests		1,726	2,478		5,557	5,062			
		(% against PBT)	(% against PBT)		(% against PBT)	(% against PBT)			
		4.22%	5.34%		4.25%	3.88%			
Profit for the period	-9.9%	33,261	36,899	0.0%	105,272	105,275			
Number of shares in issue ('000)		832,002	832,001		832,002	832,001			
Earnings per share:									
Basic earnings per ordinary shares (sen)	-8.4%	3.79	4.14	-0.50%	11.98	12.04			
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)

QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31.12.2012 RM'000 Unaudited		At 31.3.2012 RM'000 Audited
ASSETS				
Property, plant and equipment		937,873		877,260
Intangible assets		7,361		7,586
Biological assets		108,244		103,979
Prepaid lease payments		50,953		51,700
Investment properties		10,443		4,077
Investment in Associates		72,821		65,819
Other long term investments		-		40
Deferred tax asset		204		593
Other receivables		2,587		1,355
Total non-current assets		1,190,486		1,112,409
Current Assets				
Inventories	51 days	249,659	34 days	153,207
Biological assets		67,610		61,365
Trade and other receivables	44 days	256,319	40 days	215,000
Prepayments and other assets		24,103		17,924
Current tax assets		10,304		9,249
Cash and cash equivalents		101,615		101,503
		709,610		558,248
Total Assets		1,900,096		1,670,657
EQUITY AND LIABILITIES				
Equity				
Share Capital		208,001		208,000
Reserves		650,303		603,596
Equity attributable to shareholders of the Company		858,304		811,596
Minority interests		70,540		68,438
Total Equity		928,844		880,034
Non-current liabilities				
Long term borrowings (LT Debts/Total Equity)	39%	357,681	35%	304,375
Deferred income		307		368
Deferred tax liabilities		55,490		54,018
		413,478		358,761
Current Liabilities				
Payables		161,419		136,779
Short term borrowings		384,179		292,143
Taxation		12,176		2,940
		557,774		431,862
Total Liabilities		971,252		790,623
Total equity and liabilities		1,900,096		1,670,657
Net Assets per share (RM) Based on number of shares:('000)		1.03 832,000		0.98 832,000
		0		-

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)
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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.12.2012 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	3RD QUARTER 1.10.2012 TO 31.12.2012	3RD QUARTER 1.10.2011 TO 31.12.2011	QUARTERS 1.4.2012 TO 31.12.2012	QUARTERS 1.4.2011 TO 31.12.2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period	33,261	36,899	105,272	105,275
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	(2,654)	(9,740)	(16,198)	(1,741)
Cash Flow Hedge	(641)	(285)	640	(1,290)
Fair value changes on available-for-sales financial assets	-	-	-	(7,022)
Total Comprehensive income	<u>29,966</u>	<u>26,874</u>	<u>89,714</u>	<u>95,222</u>
Attributable to:				
Shareholders of the Company	28,332	24,396	84,157	90,160
Minority interests	1,634	2,478	5,557	5,062
Total Comprehensive income	<u>29,966</u>	<u>26,874</u>	<u>89,714</u>	<u>95,222</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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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2012

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 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
9 months ended 31.12.2012									
At 1.4.2012	208,000	113,544	-	(574)	(17,101)	507,727	811,596	68,438	880,034
Conversion of warrant		1	1				2		2
Total comprehensive income for the period				640	(16,198)	99,715	84,157	5,557	89,714
Dividends paid						(37,451)	(37,451)	(3,455)	(40,906)
At 31.12.2012	208,001	113,545	-	66	(33,299)	569,991	858,304	70,540	928,844

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.

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

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2012

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.12.2012

	9 months ended 31.12.2012	9 months ended 31.12.2011
	RM'000	RM'000
Profit before tax	130,678	130,366
Adjustments for:		
Depreciation & amortisation	46,624	40,738
(Increase)/Decrease in working capital	(60,833)	(62,092)
Income tax paid	(15,365)	(15,100)
Others	(5,267)	
Net cash from operating activities	95,837	93,912
Purchase of fixed assets	(112,856)	(208,319)
Others	(1,510)	(25,630)
Net cash used in investing activities	(114,366)	(233,949)
Net borrowings	50,777	-
Proceed from warrants	2	146,191
Dividends paid to shareholders	(37,451)	
Dividends paid to non-controlling interests	(3,455)	
Net cash from financing activities	9,873	146,191
Net increase in cash and cash equivalents	(8,656)	6,154
Cash and cash equivalents at 1.4.2012	-	122,057
Cash and cash equivalents at 31.12.2012	(8,656)	128,211

128,211

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 3RD QUARTER ENDED 31.12.2012

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 5 years quarterly data, our seasonal earnings index is as follows:

Q1	April to June	0.21
Q2	July to September	0.27
Q3	October to December	0.28
Q4	January to March	0.24
		1.00

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 3rd quarter ended 31.12.2012

	Profit	
	Turnover RM'000	before tax RM'000
Marine products manufacturing	137,301	25,929
Palm Oil Activities	85,074	4,769
Integrated Livestock Farming	314,505	10,162
Total	536,880	40,860

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 31.12.2012	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)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2012

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
	1.10.2012 to 31.12.2012	1.10.2011 to 31.12.2011		1.4.2012 to 31.12.2012	1.4.2011 to 31.12.2011	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	137,301	133,707	3%	409,980	352,358	16%
Palm Oil Activities (POA)	85,074	76,008	12%	228,921	278,943	-18%
Integrated Livestock Farming (ILF)	314,505	289,245	9%	944,944	817,410	16%
Total	536,880	498,960	8%	1,583,845	1,448,711	9%
	1.10.2012 to 31.12.2012	1.10.2011 to 31.12.2011		1.4.2012 to 31.12.2012	1.4.2011 to 31.12.2011	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	25,929	21,123	23%	69,421	48,000	45%
Palm Oil Activities (POA)	4,769	713	569%	10,507	12,154	-14%
Integrated Livestock Farming (ILF)	10,162	24,560	-59%	50,750	70,212	-28%
Total	40,860	46,396	-12%	130,678	130,366	0.2%

- a. MPM's current quarter sales increased 3% against corresponding quarter due mainly to higher volume of surimi-based products sold.
MPM's current earnings increased 23% against corresponding quarter is due to better fishmeal margin and higher volume of surimi-based products sold.

Cumulative sales increased 16% is due to higher contribution from fishmeal operations (both Indonesia and Malaysia) and higher surimi-based products contribution in Malaysia.
Cumulative earnings increased 45% due to increased sales and margins.

- b. POA's current quarter sales increased 12% against corresponding quarter mainly due to higher FFB processed (increased 46%), despite with lower CPO prices (RM2,193 current qtr vs RM2,956 corresponding qtr).
POA's current quarter earnings increased significantly is mainly due to higher contribution from CPO mills.

POA's cumulative sales decreased 18% mainly due to lower CPO prices (Current year average of RM2,732 per mt vs last year of RM3126 per mt) as well as lower cumulative FFB processed.
Cumulative earnings also decreased 14% due to the same reason.

- c. ILF's current quarter sales increased 9% against corresponding quarter mainly due to higher unit value of feed raw material and higher sales contribution from Indonesia's poultry farm operation.
Current quarter earnings, decreased 59% against corresponding quarter mainly due to lower farming margins (rising from significant increase in global feed cost due to USA drought).

Cumulative sales increased 16% is due to higher unit value of feed raw materials as well as new contribution from Indonesia's poultry operations.

However, cumulative earnings decreased 28%, mainly due to lower farming margins (results of extreme increase in global feed cost due to USA drought).

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2012 to 31.12.2012	1.7.2012 to 30.9.2012		1.10.2012 to 31.12.2012	1.7.2012 to 30.9.2012	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	137,301	136,690	0.4%	25,929	26,383	-2%
Palm Oil Activities (POA)	85,074	70,021	21%	4,769	2,329	105%
Integrated Livestock Farming (ILF)	<u>314,505</u>	<u>345,739</u>	-9%	<u>10,162</u>	<u>19,492</u>	-48%
Total	<u>536,880</u>	<u>552,450</u>	-3%	<u>40,860</u>	<u>48,204</u>	-15%

- a. Despite year end seasonal factor, MPM's current quarter sales increased marginally against preceding quarter due to higher volume of surimi-based products sold. However, earnings decreased 2% against preceding quarter due to lower surimi prices.
- b. POA's current quarter sales increased 21% against preceding quarter mainly due to increased in FFB processed. Earnings increased significantly due to the same reason.
- c. ILF's current quarter sales decreased 9% against preceding quarter mainly due to lower volume of raw material trade. Earnings decreased 48% against preceding quarter mainly due to lower raw material trade margin as well as lower farming margins (arising from significant increase in global feed cost due to USA drought)

B3 Commentary on Prospects for the next quarter to 31 March 2013

The management expect ILF's farming margin to recover in Q4 after a weak Q2 & Q3 (arising from significant increase in global feed cost due to USA drought). Overall, we are optimistic on the Group's performance for the Q4FY13 versus Q4FY12.

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	
31.12.2012	
RM'000	
	23,997
	<u>1,409</u>
	<u>25,406</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>	22,629
<i>HP Creditors-short term (unsecured)</i>	168
<i>Bankers' acceptance-short term (unsecured)</i>	262,029
<i>Term loans-short term (unsecured)</i>	90,603
<i>Sukuk-unsecured</i>	8,750

 384,179
Long Term:

<i>HP Creditors-long term (unsecured)</i>	134
<i>Term loans-long term (unsecured)</i>	333,265
<i>Sukuk-long term (unsecured)</i>	24,282

 357,681
Total Borrowings

 741,860
B10 Financial instruments

Outstanding derivatives as at 31.12.2012

Type of derivatives

Less than 1 year:

	Contract/Notional value	Fair Value
	RM'000	RM'000
Forward exchange contracts-sell	27,087	60
Forward exchange contracts-buy	30,718	(63)

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 31.12.2012	Cumulative Todate 31.12.2012
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>31,536</u>	<u>99,715</u>
(b) Number of ordinary shares in issue ('000)- weighted average	<u>832,002</u>	<u>832,002</u>
Basic Earnings per share (sen)	<u>3.79</u>	<u>11.98</u>

B14 Realised and Unrealised profits

Total Retained profit of the Company & its subsidiaries

Realised
Unrealised

RM'000

593,206
55,285
648,491

Total Retained profit of Associates

Realised

14,677

-
663,168

Consolidation Adjustments

Total Group Retained profit as per consolidated accounts

(93,177)

569,991