

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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2013

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2013(UNAUDITED)

| | INDIVIDUAL QUARTER | | | | CUMULATIVE QUARTERS | | | |
|--|-----------------------------------|----------|-----------------------------------|----------------------------|--------------------------------|-----------|--------------------------------|----------------------------|
| | CURRENT YEAR | | PRECEDING YEAR | | CURRENT YEAR | | PRECEDING CORRESPONDING PERIOD | |
| | 4th QUARTER 1.1.2013 TO 31.3.2013 | | 4th QUARTER 1.1.2012 TO 31.3.2012 | | TO-DATE 1.4.2012 TO 31.3.2013 | | PERIOD 1.4.2011 TO 31.3.2012 | |
| | % increase against last period | RM'000 | RM'000 | | % increase against last period | RM'000 | RM'000 | |
| Revenue | 13.1% | 563,466 | 498,163 | | 10.3% | 2,147,311 | 1,946,672 | |
| Operating Profit | 10.9% | 66,673 | 60,136 | | 7.0% | 257,892 | 241,036 | |
| Depreciation and amortisation | 24.3% | (19,239) | (15,473) | | 17.2% | (65,863) | (56,221) | |
| Interest income | 55.4% | 659 | 424 | | 14.5% | 1,932 | 1,688 | |
| Finance costs | 27.5% | (7,933) | (6,224) | | 26.4% | (28,616) | (22,648) | |
| Share of profit of associates (net) | | 2,128 | 3,054 | | | 7,621 | 8,427 | |
| Profit Before Taxation | 0.89% | 42,288 | 41,917 | | 0.40% | 172,966 | 172,282 | |
| Less: Tax expense | | (9,690) | (8,022) | (Effective tax rate) 22.9% | | (35,097) | (33,113) | (Effective tax rate) 19.2% |
| Profit for the period | -3.8% | 32,598 | 33,895 | | -0.9% | 137,869 | 139,169 | |
| Attributable to: | | | | | | | | |
| Shareholders of the Company | 2.8% | 32,067 | 31,194 | | 0.32% | 131,830 | 131,407 | |
| Minority interests | | 531 | 2,701 | 1.26% (% against PBT) | | 6,039 | 7,762 | 3.49% (% against PBT) |
| Profit for the period | -3.8% | 32,598 | 33,895 | | -0.9% | 137,869 | 139,169 | |
| Number of shares in issue ('000) | | 832,019 | 832,001 | | | 832,019 | 832,001 | |
| Earnings per share: | | | | | | | | |
| Basic earnings per ordinary shares (sen) | 2.8% | 3.85 | 3.75 | | 0.32% | 15.84 | 15.79 | |
| 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 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 4th QUARTER ENDED 31.3.2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.3.2013 (UNAUDITED)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTERS | |
|--|---|---|--------------------------------------|--------------------------------------|
| | CURRENT YEAR | PRECEDING YEAR | CURRENT YEAR | PRECEDING CORRESPONDING |
| | 4th QUARTER 1.1.2013 TO 31.3.2013 | 4th QUARTER 1.1.2012 TO 31.3.2012 | QUARTERS 1.4.2012 TO 31.3.2013 | QUARTERS 1.4.2011 TO 31.3.2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit for the period | 32,598 | 33,895 | 137,869 | 139,169 |
| Other comprehensive income/(loss), net of tax: | | | | |
| Foreign currency translation differences for foreign operations | 1,120 | (11,637) | (15,078) | (13,358) |
| Cash Flow Hedge | (70) | 1,124 | 580 | (601) |
| Fair value changes on available-for-sales financial assets | - | - | - | (7,022) |
| Total Comprehensive income | <u>33,648</u> | <u>23,382</u> | <u>123,371</u> | <u>118,188</u> |
| Attributable to: | | | | |
| Shareholders of the Company | 33,151 | 20,681 | 117,322 | 110,426 |
| Minority interests | 497 | 2,701 | 6,049 | 7,762 |
| Total Comprehensive income | <u>33,648</u> | <u>23,382</u> | <u>123,371</u> | <u>118,188</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)
(Incorporated in Malaysia)

QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | At 31.3.2013 RM'000 Unaudited | At 31.3.2012 RM'000 Audited |
|---|--|--------------------------------------|
| ASSETS | | |
| Property, plant and equipment | 972,281 | 877,260 |
| Intangible assets | 7,759 | 7,586 |
| Biological assets | 111,551 | 103,979 |
| Prepaid lease payments | 52,134 | 51,700 |
| Investment properties | 9,290 | 4,077 |
| Investment in Associates | 74,949 | 65,819 |
| Other long term investments | - | 40 |
| Deferred tax asset | 539 | 593 |
| Other receivables | 2,886 | 1,355 |
| Total non-current assets | 1,231,389 | 1,112,409 |
| Current Assets | | |
| Inventories | 47 days 234,557 | 34 days 153,207 |
| Biological assets | 74,166 | 61,365 |
| Trade receivables | 37 days 221,460 | 32 days 173,077 |
| Prepayments and other assets | 95,491 | 59,847 |
| Current tax assets | 12,706 | 9,249 |
| Cash and cash equivalents | 141,071 | 101,503 |
| | 779,451 | 558,248 |
| Total Assets | 2,010,840 | 1,670,657 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share Capital | 208,005 | 208,000 |
| Reserves | 683,521 | 603,596 |
| Equity attributable to shareholders of the Company | 891,526 | 811,596 |
| Minority interests | 69,050 | 68,438 |
| Total Equity | 960,576 | 880,034 |
| Non-current liabilities | | |
| Long term borrowings (LT Debts/Total Equity) | 47% 449,878 | 35% 304,375 |
| Deferred income | 375 | 368 |
| Deferred tax liabilities | 59,894 | 54,018 |
| | 510,147 | 358,761 |
| Current Liabilities | | |
| Payables | 150,972 | 136,779 |
| Short term borrowings | 377,863 | 292,143 |
| Taxation | 11,282 | 2,940 |
| | 540,117 | 431,862 |
| Total Liabilities | 1,050,264 | 790,623 |
| Total equity and liabilities | 2,010,840 | 1,670,657 |
| Net Assets per share (RM) | 1.07 | 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 4th QUARTER ENDED 31.3.2013

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.3.2013

| | 12 months ended 31.3.2013 RM'000 | 12 months ended 31.3.2013 RM'000 |
|---|---|---|
| Profit before tax | 172,966 | 172,282 |
| Adjustments for: | | |
| Depreciation & amortisation | 65,863 | 56,221 |
| (Increase)/Decrease in working capital | (105,479) | (37,726) |
| Income tax paid | (24,271) | (22,756) |
| Others | | |
| Net cash from operating activities | 109,079 | 168,021 |
| Purchase of fixed assets | (160,884) | (259,033) |
| Others | (8,718) | 15,023 |
| Net cash used in investing activities | (169,602) | (244,010) |
| Net borrowings | 143,900 | 81,786 |
| Proceed from warrants | 59 | |
| Dividends paid to shareholders | (37,451) | (35,360) |
| Dividends paid to non-controlling interests | (3,875) | |
| Net cash from financing activities | 102,633 | 46,426 |
| Net increase in cash and cash equivalents | 42,110 | (29,563) |
| Cash and cash equivalents at 1.4.2012 | 87,642 | 117,205 |
| Cash and cash equivalents at 31.3.2013 | 129,752 | 87,642 |

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)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2013

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2013

| | 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 |
| 12 months ended 31.3.2013 | | | | | | | | | |
| At 1.4.2012 | 208,000 | 113,544 | - | (574) | (17,101) | 507,727 | 811,596 | 68,438 | 880,034 |
| Conversion of warrant | 5 | 54 | | | | | 59 | | 59 |
| Total comprehensive income for the period | | | | 570 | (15,078) | 131,830 | 117,322 | 6,049 | 123,371 |
| Dividends paid | | | | | | (37,451) | (37,451) | (3,875) | (41,326) |
| Acquisition from non-controlling interest | | | | | | | | (1,562) | (1,562) |
| At 31.3.2013 | 208,005 | 113,598 | - | (4) | (32,179) | 602,106 | 891,526 | 69,050 | 960,576 |

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.

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 Deceml | 0.28 |
| Q4 | January to March | 0.24 |
| | | <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 4th quarter ended 31.3.2013

| | Turnover RM'000 | Profit before tax RM'000 |
|-------------------------------|--------------------|-----------------------------|
| Marine products manufacturing | 136,436 | 17,456 |
| Palm Oil Activities | 72,074 | 3,947 |
| Integrated Livestock Farming | 354,956 | 20,885 |
| Total | <u>563,466</u> | <u>42,288</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 | 47 |
| At 31.3.2013 | <u>737</u> |

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 4th QUARTER ENDED 31.3.2013

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 quarter last year | % change |
|------------------------------------|-----------------------|---------------------------------|----------|-----------------------|--|----------|
| | 1.1.2013 to 31.3.2013 | 1.1.2012 to 31.3.2012 | | 1.4.2012 to 31.3.2013 | 1.4.2011 to 31.3.2012 | |
| | Sales | Sales | | Sales | Sales | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Marine product manufacturing | 136,436 | 121,315 | 12% | 546,415 | 473,672 | 15% |
| Palm Oil Activities (POA) | 72,074 | 75,849 | -5% | 300,995 | 354,792 | -15% |
| Integrated Livestock Farming (ILF) | 354,956 | 300,999 | 18% | 1,299,900 | 1,118,208 | 16% |
| Total | 563,466 | 498,163 | 13% | 2,147,310 | 1,946,672 | 10% |
| | 1.1.2013 to 31.3.2013 | 1.1.2012 to 31.3.2012 | | 1.4.2012 to 31.3.2013 | 1.4.2011 to 31.3.2012 | |
| | Profit before tax | Profit before tax | | Profit before tax | Profit before tax | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Marine product manufacturing | 17,456 | 13,564 | 29% | 86,877 | 61,564 | 41% |
| Palm Oil Activities (POA) | 3,947 | 971 | 306% | 14,454 | 13,126 | 10% |
| Integrated Livestock Farming (ILF) | 20,885 | 27,382 | -24% | 71,635 | 97,592 | -27% |
| Total | 42,288 | 41,917 | 1% | 172,966 | 172,282 | 0.4% |

- a. MPM's current quarter sales increased 12% against corresponding quarter due mainly to higher volume of surimi-based products and fishmeal sold. MPM's current earnings increased 29% against corresponding quarter is due to the same reason.

Cumulative sales increased 15% mainly due to higher contribution from fishmeal and surimi-based products operations, both domestic and regional. Cumulative earnings increased 41% due to increased sales volume as stated above as well as increased in operation margins.

- b. POA's current quarter sales decreased 5% against corresponding quarter mainly due to lower CPO prices (RM2,212 current qtr vs RM3,140 corresponding qtr) despite higher FFB processed. POA's current quarter earnings increased significantly mainly due to higher contributions from CPO mills and higher earnings from associates (Boilermech).

POA's cumulative sales decreased 15% mainly due to lower CPO prices (Current year average of RM2,602 per mt vs last year of RM3,130 per mt). Cumulative earnings increased 10% mainly due to higher contribution from CPO mills and higher earnings from associates (Boilermech).

- c. ILF's current quarter sales increased 18% against corresponding quarter mainly due to higher unit value of feed raw material and higher regional sales contribution.

Current quarter earnings, decreased 24% against corresponding quarter mainly due to lower farming margins (arising from significant increase in global feed cost due to USA drought).

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

However, cumulative earnings decreased 27% 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 |
|------------------------------------|-----------------------|-------------------------|----------|-----------------------|-------------------------|----------|
| | 1.1.2013 to 31.3.2013 | 1.10.2012 to 31.12.2012 | | 1.1.2013 to 31.3.2013 | 1.10.2012 to 31.12.2012 | |
| | Sales | Sales | | Profit before tax | Profit before tax | |
| Activities: | | | | | | |
| Marine product manufacturing | 136,436 | 137,301 | -0.6% | 17,456 | 25,929 | -33% |
| Palm Oil Activities (POA) | 72,074 | 85,074 | -15% | 3,947 | 4,769 | -17% |
| Integrated Livestock Farming (ILF) | 354,956 | 314,505 | 13% | 20,885 | 10,162 | 106% |
| Total | 563,466 | 536,880 | 5% | 42,288 | 40,860 | 3% |

- a. MPM's current quarter sales decreased marginally against preceding quarter due to seasonal factor. Earnings decreased 33% against preceding quarter is due to the same reason.
- b. POA's current quarter sales decreased 15% against preceding quarter is mainly due to lower FFB processed. Earnings decreased 17% due to the same reason.
- c. ILF's current quarter sales increased 13% against preceding quarter mainly due to higher volume of raw material trade and higher farm products prices. Earnings increased significantly against preceding quarter mainly due to higher raw material trade margin as well as recovery of farming margins.

B3 Commentary on Prospects for the next quarter to 30 June 2013

The management expect ILF's farming margin to continue to recover in Q1 after FY2013's weak ILF margin (arising from significant increase in global feed cost due to USA drought).

Overall, we are cautiously optimistic on the Group's performance for the Q1FY14.

B4 Profit Forecast

No profit forecast was published during the period under review.

B5 Tax expense

Cumulative period

Todate
31.3.2013

| | |
|----------------------------|---------------|
| | RM'000 |
| Current income tax expense | 29,610 |
| Deferred tax expense | <u>5,487</u> |
| | <u>35,097</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.

Zhongsan

B9 Group Borrowings

Short term:

RM'000

| | |
|---|---------|
| <i>Bank overdraft-short term (unsecured)</i> | 11,321 |
| <i>HP Creditors-short term (unsecured)</i> | 139 |
| <i>Bankers' acceptance-short term (unsecured)</i> | 266,095 |
| <i>Term loans-short term (unsecured)</i> | 91,558 |
| <i>Sukuk-unsecured</i> | 8,750 |

377,863

Long Term:

| | |
|---|---------|
| <i>HP Creditors-long term (unsecured)</i> | 168 |
| <i>Term loans-long term (unsecured)</i> | 430,796 |
| <i>Sukuk-long term (unsecured)</i> | 18,914 |

449,878

Total Borrowings

827,741

B10 Financial instruments

Outstanding derivatives as at 31.3.2013

| Type of derivatives | Contract/Notional value RM'000 | Fair Value RM'000 |
|---------------------------------|-----------------------------------|----------------------|
| Less than 1 year: | | |
| Forward exchange contracts-sell | 28,204 | 23 |
| Forward exchange contracts-buy | 59,454 | (309) |

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 proposed a final single tier dividend of 4.50sen per share in respect of the year ended 31.3.2013 subject to the approval of the shareholders at the forthcoming general meeting.

B13 Earnings Per Share

The calculations of basic earnings per share were as follows:

| | Current quarter ended 31.3.2013 | Cumulative Todate 31.3.2013 |
|--|------------------------------------|-----------------------------------|
| (a) Net profit attributable to ordinary shareholders(RM'000) | <u>32,067</u> | <u>131,830</u> |
| Number of ordinary shares in issue | | |
| (b) ('000)-weighted average | <u>832,019</u> | <u>832,019</u> |
| Basic Earnings per share (sen) | <u>3.85</u> | <u>15.84</u> |

B14 Realised and Unrealised profits

| | |
|--|-----------------|
| Total Retained profit of the Company & its subsidiaries | RM'000 |
| Realised | 743,209 |
| Unrealised | <u>(59,355)</u> |
| | 683,854 |
| | |
| Total Retained profit of Associates | |
| Realised | 15,361 |
| | <u>-</u> |
| | 699,215 |
| | |
| Consolidation Adjustments | <u>(97,106)</u> |
| Total Group Retained profit as per consolidated accounts | <u>602,109</u> |