

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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2014

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2014 (UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS				
	% increase against last period	CURRENT YEAR		PRECEDING YEAR	% increase against last period	CURRENT YEAR		PRECEDING CORRESPONDING PERIOD	
		4TH QUARTER 1.1.2014 to 31.3.2014		4TH QUARTER 1.1.2013 to 31.3.2013		TO-DATE 1.4.2013 to 31.3.2014		1.4.2012 to 31.3.2013	
		RM'000		RM'000		RM'000		RM'000	
Revenue	7.9%	606,874		562,462	14.5%	2,457,186		2,146,307	
Operating Profit	5.6%	70,314		66,616	16.2%	299,577		257,837	
Depreciation and amortisation	6.0%	(20,223)		(19,078)	18.2%	(77,645)		(65,702)	
Interest income	19.1%	784		658	38.6%	2,676		1,931	
Finance costs	16.2%	-9,188		-7,910	24.0%	(35,466)		(28,593)	
Share of profit of associates (net)		5,800		1,745		14,625		7,236	
Profit Before Taxation	13.0%	47,487		42,031	18.0%	203,767		172,709	
Less: Tax expense		(6,678)	(Effective tax rate) 14.1%	(9,751)		(37,013)	(Effective tax rate) 18.2%	(35,157)	(Effective tax rate) 20.4%
Profit for the period	26.4%	40,809		32,280	21.2%	166,754		137,552	
Attributable to:									
Shareholders of the Company	20.7%	38,610		31,991	21.4%	159,929		131,706	
Minority interests		2,199	4.63% (% against PBT)	289		6,825	3.35% (% against PBT)	5,846	3.38% (% against PBT)
Profit for the period	26.4%	40,809		32,280	21.2%	166,754		137,552	
Number of shares in issue ('000)		1,200,485		1,146,133		1,159,547		1,146,133	
Earnings per share:									
Basic earnings per ordinary shares (sen)	15.2%	3.22		2.79	20.0%	13.79		11.49	
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 2013 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 31.3.2014 RM'000 Unaudited		At 31.3.2013 RM'000 Audited
ASSETS				
Property, plant and equipment		1,040,874		960,702
Intangible assets		6,906		7,229
Biological assets		111,844		111,838
Prepaid lease payments		57,591		53,300
Investment properties		35,368		29,466
Investment in Associates		101,354		74,564
Deferred tax asset		1,123		539
Other receivables		3,966		2,817
Total non-current assets		1,359,026		1,240,455
Current Assets				
Inventories	40 days	228,128	44 days	219,363
Biological assets		80,562		74,168
Trade receivables	32 days	216,835	39 days	229,631
Other receivables, assets and prepayment		123,790		94,805
Current tax assets		9,472		9,007
Cash and cash equivalents		227,191		141,101
		885,978		768,075
Total Assets		2,245,004		2,008,530
EQUITY AND LIABILITIES				
Equity				
Share Capital		312,007		208,005
Share Premium		307,847		113,599
Reserves		666,150		569,177
Equity attributable to shareholders of the Company		1,286,004		890,781
Minority interests		59,947		68,857
Total Equity		1,345,951		959,638
Non-current liabilities				
Long term borrowings (LT Debts/Total Equity)	21%	285,838	47%	451,074
Deferred income		1,151		769
Deferred tax liabilities		65,708		59,791
		352,697		511,634
Current Liabilities				
Payables		167,825		152,536
Short term borrowings		368,321		376,679
Taxation		10,210		8,043
		546,356		537,258
Total Liabilities		899,053		1,048,892
Total equity and liabilities		2,245,004		2,008,530
Net Assets per share (RM) Based on number of shares:(000)		1.11 1,159,547		0.78 1,146,133

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2013 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 4TH QUARTER ENDED 31.3.2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.3.2014 (UNAUDITED)

	INDIVIDUAL QUARTER		% increase	CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR		CURRENT YEAR	PRECEDING CORRESPONDING
	4TH QUARTER 1.1.2014 to 31.3.2014 RM'000	4TH QUARTER 1.1.2013 to 31.3.2013 RM'000		TO-DATE 1.4.2013 to 31.3.2014 RM'000	PERIOD 1.4.2012 to 31.3.2013 RM'000
Profit for the period	40,809	32,280		166,754	137,552
Other comprehensive income/(loss), net of tax:					
Foreign currency translation differences for foreign operations	27,935	1,020		(31,650)	(15,178)
Cash Flow Hedge	(787)	(61)		386	579
	-	-		-	-
Total Comprehensive income	<u>67,957</u>	<u>33,239</u>		<u>135,490</u>	<u>122,953</u>
Attributable to:					
Shareholders of the Company	65,758	32,941		135,562	117,098
Minority interests	2,199	298		(72)	5,855
Total Comprehensive income	<u>67,957</u>	<u>33,239</u>		<u>135,490</u>	<u>122,953</u>

The Condensed Consolidated Statement of Comprehensive Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2013 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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INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2014

	← 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			
12 months ended 31.3.2014	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.4.2013	208,005	113,599	-	(4)	(32,279)	601,460	890,781	68,857	959,638
Total comprehensive income for the period				386	(24,753)	159,929	135,562	-72	135,490
Issuance of shares	104,002	194,248					298,250		298,250
Share issue expenses							-		-
Dividend paid						(37,441)	(37,441)	(9,211)	(46,652)
Acquisition from non-controlling interest						(1,148)	(1,148)	(3,851)	(4,999)
Contribution from non-controlling interest							-	4,224	4,224
At 31.3.2014	312,007	307,847	-	382	(57,032)	722,800	1,286,004	59,947	1,345,951

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31.3.2013

	← 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			
12 months ended 31.3.2013	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.4.2012	208,000	113,544	-	(574)	(17,101)	507,727	811,596	68,438	880,034
Conversion of warrants	5	55					60		60
Total comprehensive income for the period				570	(15,178)	131,706	117,098	5,855	122,953
Dividend paid						(37,440)	(37,440)	(3,875)	(41,315)
Contribution from non-controlling interest						(533)	(533)	(1,561)	(2,094)
At 31.3.2013	208,005	113,599	-	(4)	(32,279)	601,460	890,781	68,857	959,638

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2013 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 4TH QUARTER ENDED 31.3.2014

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.3.2014

	12 months ended 31.3.2014 RM'000	12 months ended 31.3.2013 RM'000
Profit before tax	203,767	172,709
Adjustments for:		
Depreciation & amortisation	77,645	65,702
(Increase)/Decrease in working capital	40,056	(108,639)
Income tax paid	(29,864)	(23,985)
Others	(20,605)	13,279
Net cash from operating activities	<u>270,999</u>	<u>119,066</u>
Purchase of fixed assets-net	(175,342)	(195,244)
Others	-	3,265
Net cash used in investing activities	<u>(175,342)</u>	<u>(191,979)</u>
Net borrowings	(248,039)	177,731
Dividend paid to Minority interest	(9,211)	(3,875)
Dividend paid to Shareholders	(37,441)	(37,440)
Issuance of shares	299,526	-
Others	(7,915)	(21,782)
Net cash from financing activities	<u>(3,080)</u>	<u>114,634</u>
Net increase in cash and cash equivalents	<u>92,577</u>	<u>41,721</u>
Cash and cash equivalents at 1.4.2013	129,363	87,642
Cash and cash equivalents at 31.12.2013	<u>221,940</u>	<u>129,363</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for year ended 31 March 2013 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 4TH QUARTER ENDED 31.3.2014

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 2013 except for the adoption of the following FRS, Interpretations and Amendments which are effective for annuals periods beginning on or after 1st January 2013.

- FRS 10, Consolidated Financial Statements
- FRS 11, Joint Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statements (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards – Government Loans
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 101, Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 116, Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 132, Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 134, Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
- Amendments to FRS 10, Consolidated Financial Statements: Transition Guidance
- Amendments to FRS 11, Joint Arrangements: Transition Guidance
- Amendments to FRS 12, Disclosure of Interests in Other Entities: Transition Guidance

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 2014, 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 January 2014.

Following the recent press release by MASB on 7 Aug 2013, Transitioning entities are allowed to defer the adoption of MFRS for an additional year, ie for annual period beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 March 2016. 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 average 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
		<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 except as follows:

On 29 January 2014, the Company announced that the board of directors of QL had fixed the issue price of the Rights Shares at RM1.80 and the entitlement date of the Rights Shares and Bonus Shares has been fixed to be on 14 February 2014. The announcement on the completion of the Proposed Bonus Issue was made on 17 February 2014. The Proposed Rights Issue was completed on 12th March 2014.

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 4th quarter ended 31.3.14

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	148,497	19,611
Palm Oil Activities	92,205	6,391
Integrated Livestock Farming	<u>366,172</u>	<u>21,484</u>
Total	<u>606,874</u>	<u>47,486</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

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

There were no contingent liabilities at the end of the current financial period for the Group.

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 31.3.2014

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	% change
	1.1.2014 to 31.3.2014	1.1.2012 to 31.3.2013		1.4.2013 to 31.3.2014	1.4.2012 to 31.3.2013	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	148,497	136,436	9%	618,523	546,415	13%
Palm Oil Activities (POA)	92,205	72,074	28%	334,740	299,991	12%
Integrated Livestock Farming (ILF)	366,172	354,956	3%	1,503,923	1,299,901	16%
Total	<u>606,874</u>	<u>563,466</u>	8%	<u>2,457,186</u>	<u>2,146,307</u>	14%
	1.1.2014 to 31.3.2014	1.1.2012 to 31.3.2013		1.4.2013 to 31.3.2014	1.4.2012 to 31.3.2013	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	19,611	17,456	12%	108,801	85,772	27%
Palm Oil Activities (POA)	6,391	3,947	62%	9,146	15,175	-40%
Integrated Livestock Farming (ILF)	<u>21,484</u>	<u>20,885</u>	3%	85,819	71,762	20%
Total	<u>47,486</u>	<u>42,288</u>	12%	<u>203,766</u>	<u>172,709</u>	18%

- a. MPM's current quarter sales increased 9% against corresponding quarter due to higher contribution from Indonesia's fishery as well as surimi-based products operations.
MPM's current earnings increased 12% due to the same reason.

Cumulative sales increased 13% due to overall higher contribution from deep sea fishing , surimi-based products and fishmeal operations.
Cumulative earnings increased 27% due to the same reasons.

- b. POA's current quarter sales increased 28% against corresponding quarter mainly due to higher CPO price and higher FFB processed.
(CPO price: RM2,619 current qtr vs RM2,212 corresponding qtr).
POA's current quarter earnings increased significantly mainly due to improved contribution from Indonesian plantation operations.

POA's cumulative sales increased 12% mainly due to new sales contribution from Indonesia plantation operations.
Cumulative earnings however decreased significantly due to lower CPO price and losses from Indonesia's plantation operations during first half of FY14.

- c. ILF's current quarter sales increased 3% against corresponding quarter mainly due to higher volume of raw material traded.
Current quarter earnings increased 3% against corresponding quarter due to higher margins from Peninsular Poultry operations.

Cumulative sales increased 16% due to higher volume of feed raw materials traded as well as higher farm produced prices.
Cumulative earnings increased 20% mainly due to improved farm produced prices.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.1.2014 to 31.3.2014	1.10.2013 to 31.12.2013		1.1.2014 to 31.3.2014	1.10.2013 to 31.12.2013	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	148,497	169,885	-13%	19,611	34,032	-42%
Palm Oil Activities (POA)	92,205	86,542	7%	6,391	3,819	67%
Integrated Livestock Farming (ILF)	366,172	409,201	-11%	21,484	21,614	-1%
Total	606,874	665,628	-9%	47,486	59,465	-20%

- a. MPM's current quarter sales decreased 13% against preceding quarter due to seasonal factor.
Earnings decreased 42% against preceding quarter due to the same reason.
- b. POA's current quarter sales only increased 7% against preceding quarter due to higher CPO price (RM2619 vs RM2424).
Earnings improved significantly due to the same reason as well as improvement from Indonesia operations.
- c. ILF's current quarter sales decreased 11% against preceding quarter mainly due to lower volume of raw materials traded.
However earnings decreased marginally against preceding quarter due to higher contribution from Peninsular Poultry operations.

B3 Commentary on Prospects for the next quarter to 30.6.14

Our management expects all three activities contribution in Q1 to be satisfactory.
Hence, we are optimistic on Q1 performance.

B4 Profit Forecast

No profit forecast was published during the period under review.

B5 Tax expense

Current tax expense
Deferred tax expense

Cumulative period

Todate
31.3.14

RM'000

31,566
5,447
37,013

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 for the quarter under review.

B9 Group Borrowings

Short term:

Bank overdraft-short term (unsecured)

RM'000
5,251

HP Creditors-short term (unsecured)

491

Bankers' acceptance-short term (unsecured)

- Islamic

17,805

- Non-islamic

262,632

280,437

Term loans-short term (unsecured)

- Islamic

35,692

- Non-islamic

14,305

49,997

Revolving credit

23,395

Sukuk

8,750

368,321

Long Term:

HP Creditors-long term (unsecured)

656

Term loans-long term (unsecured)

- Islamic

210,105

- Non-islamic

68,662

278,767

Sukuk

6,414

285,837

Total Borrowings

654,158

B10 Financial instruments

The Group uses the following hierarchy in determining the fair value of all financial instruments carried at fair value:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable market data, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

As at 31.3.14, the Group held the following financial assets or liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial Assets:				
Cross currency swap	-	-	1,860	1,860
Financial Liabilities:				
Forward exchange contracts	-	248	-	248
Interest rate swap	-	-	47	47

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 3.5 sen per share in respect of the year ended 31.3.2014 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 31.3.14	Cumulative to date 31.3.14
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>38,610</u>	<u>159,929</u>
Number of ordinary shares in issue		
(b) ('000)-weighted average	<u>1,200,485</u>	<u>1,159,547</u>
Basic Earnings per share (sen)	<u>3.22</u>	<u>13.79</u>

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

RM'000

739,085

64,584

803,669

31,141

834,810

(112,010)

722,800