

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2014

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.6.2014 (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	TO-DATE
		IST QUARTER 1.4.2014 TO 30.6.2014	IST QUARTER 1.4.2013 TO 30.6.2013		TO-DATE 1.4.2014 TO 30.6.2014	PERIOD 1.4.2013 TO 30.6.2013		
	RM'000	RM'000		RM'000	RM'000		RM'000	
Revenue	12.8%	653,556	579,636	12.8%	653,556	579,636		
Operating Profit	-72.5%	17,990	65,356	-72.5%	17,990	65,356		
Depreciation and amortisation	17.7%	(18,864)	(16,028)	17.7%	(18,864)	(16,028)		
Interest income	207.3%	1,601	521	207.3%	1,601	521		
Finance costs	-33.7%	(5,826)	(8,781)	-33.7%	(5,826)	(8,781)		
Share of profit of associates (net)		5,099	2,657		5,099	2,657		
Profit Before Taxation	-100.0%	-	43,725	-100.0%	-	43,725		
Less: Tax expense		(10,158)	(7,964)		(10,158)	(7,964)		
Profit for the period	-128.4%	-10,158	35,761	-128.4%	-10,158	35,761		
Attributable to:								
Shareholders of the Company	-128.5%	(9,977)	34,949	-128.5%	(9,977)	34,949		
Minority interests		(181)	812		(181)	812		
Profit for the period		-10,158	35,761		-10,158	35,761		
Number of shares in issue ('000)	8.9%	1,248,029	1,146,133	8.9%	1,248,029	1,146,133		
Earnings per share:								
Basic earnings per ordinary shares (sen)	-126.2%	(0.80)	3.05	-126.2%	(0.80)	3.05		
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 2014 and the accompanying explanatory notes attached to this interim financial statements.
Note: NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.6.2014 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	1ST QUARTER 1.4.2014 TO 30.6.2014	1ST QUARTER 1.4.2013 TO 30.6.2013	1ST QUARTER 1.4.2014 TO 30.6.2014	1ST QUARTER 1.4.2013 TO 30.6.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	-9,977	35,761	-9,977	35,761
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	(25,876)	1,169	(25,876)	1,169
Cash Flow Hedge	(18)	(1,098)	(18)	(826)
	-	-	-	-
Total Comprehensive income	<u>-35,871</u>	<u>35,832</u>	<u>(35,871)</u>	<u>36,104</u>
Attributable to:				
Shareholders of the Company	(36,052)	35,025	(36,052)	35,025
Minority interests	181	807	181	807
Total Comprehensive income	<u>-35,871</u>	<u>35,832</u>	<u>-35,871</u>	<u>35,832</u>

The Condensed Consolidated Statement of Comprehensive Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2014 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 30.6.2014 RM'000	At 31.3.2014 RM'000
	Unaudited	Audited
ASSETS		
Property, plant and equipment	1,061,871	1,043,158
Intangible assets	6,841	6,906
Biological assets	106,872	111,844
Prepaid lease payments	58,544	58,694
Investment properties	33,127	33,641
Investment in Associates	107,284	101,354
Deferred tax asset	1,885	1,123
Other receivables	4,101	3,966
Total non-current assets	1,380,525	1,360,686
Current Assets		
Inventories	44 days 271,208	41 days 228,997
Biological assets	81,979	80,562
Trade receivables	34 days 243,819	32 days 216,802
Other receivables, assets and prepayment	107,691	95,391
Current tax assets	10,321	6,027
Cash and cash equivalents	200,228	253,157
	<u>915,246</u>	<u>880,936</u>
Total Assets	2,295,771	2,241,622
EQUITY AND LIABILITIES		
Equity		
Share Capital	312,007	312,007
Share Premium	307,847	308,018
Reserves	680,205	665,743
Equity attributable to shareholders of the Company	1,300,059	1,285,768
Minority interests	57,276	59,947
Total Equity	1,357,335	1,345,715
Non-current liabilities		
Long term borrowings (LT Debts/Total Equity)	21% 290,401	20% 268,213
Deferred income	496	1,151
Deferred tax liabilities	65,736	65,695
	<u>356,633</u>	<u>335,059</u>
Current Liabilities		
Payables	177,492	168,009
Short term borrowings	389,146	386,063
Taxation	15,165	6,776
	<u>581,803</u>	<u>560,848</u>
Total Liabilities	938,436	895,907
Total equity and liabilities	2,295,771	2,241,622
Net Assets per share (RM)	1.04	1.03
Based on number of shares:('000)	<u>1,248,029</u>	<u>1,248,029</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

QL RESOURCES BERHAD
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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2014

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 last year	% change
	1.4.2014 to 30.6.2014	1.4.2013 to 30.6.2013		1.4.2014 to 30.6.2014	1.4.2013 to 30.6.2013	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	171,524	144,350	19%	171,524	144,350	19%
Palm Oil Activities (POA)	103,943	78,560	32%	103,943	78,560	32%
Integrated Livestock Farming (ILF)	378,089	356,726	6%	378,089	356,726	6%
Total	<u>653,556</u>	<u>579,636</u>	12.8%	653,556	579,636	12.8%
	1.4.2014 to 30.6.2014	1.4.2013 to 30.6.2013		1.4.2014 to 30.6.2014	1.4.2013 to 30.6.2013	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	27,464	25,242	9%	27,464	25,242	9%
Palm Oil Activities (POA)	4,363	(655)	NA	4,363	(655)	NA
Integrated Livestock Farming (ILF)	18,506	19,138	-3%	18,506	19,138	-3%
Total	<u>50,333</u>	<u>43,725</u>	15.1%	50,333	43,725	15.1%

- MPM's current quarter sales increased 19% against corresponding quarter mainly due to higher fishmeal, surimi and surimi-based products contribution. However, earnings for the current quarter only increased 9% due to lower fishmeal and surimi-based products margins as compared to corresponding period.
- POA's current quarter sales increased 32% against corresponding quarter mainly due to increased in FFB processed and higher CPO price. FFB processed (Malaysia) increased by 21% against corresponding quarter, CPO prices was also higher by 14% (RM2,561 vs RM2,245 corresponding qtr). POA's current quarter earnings increased significantly against corresponding quarter mainly due to lower losses from Indonesia's plantation operations, better CPO price and higher profit contribution from associate Boilermech.
- ILF's current quarter sales increased 6% against corresponding quarter due mainly to higher volume and unit value of raw material traded. However, poor poultry farm produce prices in East Malaysia, Indonesia and Vietnam have outweighed good peninsular egg price and as a result, earnings decreased marginally against corresponding quarter.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.4.2014 to 30.6.2014	1.1.2014 to 31.3.2014		1.4.2014 to 30.6.2014	1.1.2014 to 31.3.2014	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	171,524	148,400	16%	27,464	20,008	37%
Palm Oil Activities (POA)	103,943	92,442	12%	4,363	6,787	-36%
Integrated Livestock Farming (ILF)	378,089	366,168	3%	18,506	20,692	-11%
Total	653,556	607,010	8%	50,333	47,487	6%

- MPM's current quarter sales increased 16% against preceding quarter due to seasonal effect. Earnings increased significantly against preceding quarter due to the same reason.
- Current quarter sales increased 12% against preceding quarter mainly due to FFB processed (Malaysia) increased 18% against preceding quarter. However, earnings decreased 36% due to lower CPO price (CPO price: Q1FY15 of RM2561 vs Q4FY14 of RM2619) and lower FFB quantity from Indonesia unit due
- ILF's current quarter sales increased 3% against preceding quarter mainly due to higher unit value of raw material traded. However, earnings decreased 11% against preceding quarter mainly due to overall weaker egg price.

B3 Prospects for the next quarter to 30 September 2014.

The management are optimistic that in Q2FY15, we will continue to perform due to:

- recovery in regional farm produce price;
- good fishmeal price and;
- festivity effect.

Overall, barring unforeseen events, the management are confident that Group's operations in Q2FY15 will perform better than corresponding and preceding quarter.

B4 Profit Forecast

No profit forecast was published during the period under review.

B5 Tax expense

Current income tax expense
Deferred tax expense

	Individual quarter	Cumulative period
	3 months ended 30.6.2014	Todate 30.6.2014
	RM'000	RM'000
	10,106	10,106
	-	-
	10,106	10,106

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 except as disclosed.

B8 Corporate Proposals

The Company received proceeds of RM299,527 million from Rights Issues during March 2014. The proceeds have been utilised in the following manner:-

(RM'000)	Proposed Utilisation	Actual Utilisation	Balance	Intended timeframe for utilisation
Repayment of bank borrowings	220.000	219.531	0.469	Within December 2014
Capital expenditure	70.000	46.509	23.491	Within September 2015
Working Capital	8.327	1.005	7.322	Within March 2015
Estimated expenses for corporate exercise	1.200	1.106	0.094	Upon completion of corporate exercise
	<u>299.527</u>	<u>268.151</u>	<u>31.376</u>	

B9 Group Borrowings

Short term:

RM'000

<i>Bank overdraft-short term (unsecured)</i>	23,241
<i>HP Creditors-short term (unsecured)</i>	581
<i>Bankers' acceptance-short term (unsecured)</i>	231,566
<i>Bankers' acceptance (Islamic)-short term (unsecured)</i>	61,253
<i>Term loans-short term (unsecured)</i>	59,223
<i>Term loans-short term (Islamic - unsecured)</i>	4,533
<i>Sukuk-unsecured</i>	8,750

389,146

Long Term:

<i>HP Creditors-long term (unsecured)</i>	693
<i>Term loans-long term (unsecured)</i>	246,720
<i>Term loans-long term (Islamic unsecured)</i>	36,467
<i>Sukuk-long term (unsecured)</i>	6,522

290,401

Total Borrowings

679,548

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 30.6.2014, 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	-	-	1,371	1,371
Interest rate swap	-	-	68	68
Forward exchange contracts	-	607	-	607
	-	607	1,439	2,046

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 30.6.2014	Cumulative Totodate 30.6.2014
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>(9,977)</u>	<u>-9,977</u>
(b) Number of ordinary shares in issue ('000)- weighted average	<u>1,248,029</u>	<u>1,248,029</u>
Basic Earnings per share (sen)	<u>(0.80)</u>	<u>(0.80)</u>

B15 Realised and Unrealised profits

Total Retained profit of the Group:	RM'000
Realised	867,644
Unrealised	<u>(63,851)</u>
	803,793
Total Retained profit of Associates:	
Realised	<u>35,340</u>

Consolidation Adjustments	839,133
Total Group Retained profit as per consolidated accounts	<u>(75,974)</u>
	<u>763,159</u>

QL RESOURCES BERHAD (428915-X)
(Incorporated in Malaysia)
INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2014

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 2015 except for the adoption of the following FRS, Interpretations and Amendments which are effective for annual periods beginning on or after 1st January 2014.

- Amendments to FRS 10, Consolidated Financial Statements: Investment Entities
- Amendments to FRS 12, Disclosure of Interests in Other Entities: Investment Entities
- Amendments to FRS 127, Separate Financial Statements (2011): Investment Entities
- Amendments to FRS 132, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting

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.

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 first quarter ended 30.6.2014

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	171,524	27,464
Palm Oil Activities	103,943	4,363
Integrated Livestock Farming	378,089	18,506
Total	<u>653,556</u>	<u>50,333</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.

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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 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			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
3 months ended 30.6.14									
At 1.4.2014	312,007	308,018	-	382	(57,442)	722,803	1,285,768	59,947	1,345,715
Total comprehensive income for the period				(18)	(25,876)	-9,977	(35,871)	(181)	-36,052
Change in ownership							-	(2,490)	(2,490)
Expenses incurred for issuance of shares		(171)					(171)	-	(171)
At 30.6.2014	312,007	307,847	-	364	(83,318)	712,826	1,249,726	57,276	1,307,002

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2014

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2014

	1st quarter ended 30.6.2014 RM'000	1st quarter ended 30.6.2013 RM'000
Profit before tax	50,333	43,725
Adjustments for:		
Depreciation & amortisation	18,864	16,028
(Increase)/Decrease in working capital	(115,502)	55,428
Income tax paid	(6,567)	(8,886)
Others	(1,557)	(2,657)
Net cash from operating activities	(54,429)	103,638
Purchase of fixed assets	(37,577)	(43,840)
Increase in investment in associate	(3,100)	(3,006)
Others	-	(636)
Net cash used in investing activities	(40,677)	(47,482)
Net borrowings	42,176	(56,857)
Dividend paid to MI	-	(6,130)
Net cash from financing activities	42,176	(62,987)
Net increase in cash and cash equivalents	(52,930)	(6,831)
Cash and cash equivalents at 1.4.2014	253,157	129,363
Cash and cash equivalents at 30.6.2014	200,227	122,532

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial statements.