

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2014

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.12.2014 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS			
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD		
	3RD QUARTER 1.10.2014 to 31.12.2014 RM'000	3RD QUARTER 1.10.2013 to 31.12.2013 RM'000	TO-DATE 1.4.2014 to 31.12.2014 RM'000	PERIOD 1.4.2013 to 31.12.2013 RM'000		
	% increase against last period		% increase against last period			
Revenue	10%	732,822	665,628	10%	2,042,919	1,850,313
Operating Profit	18%	100,005	84,797	11%	254,615	229,451
Depreciation and amortisation	9%	(21,436)	(19,728)	10%	(63,212)	(57,421)
Interest income	148%	1,402	566	159%	4,409	1,704
Finance costs	27%	(11,265)	(8,865)	-2%	(25,797)	(26,279)
Share of profit of associates (net)		5,904	2,695		17,185	8,825
Profit Before Taxation	25%	74,610	59,465	20%	187,200	156,280
Less: Tax expense		(15,295)	(12,089)		(38,536)	(30,335)
		(Effective tax rate) 20.5%	(Effective tax rate) 20.3%		(Effective tax rate) 20.6%	(Effective tax rate) 19.4%
Profit for the period	25%	59,315	47,376	18.0%	148,664	125,945
Attributable to:						
Shareholders of the Company	25%	55,619	44,613	19%	143,847	121,319
Minority interests		3,696	2,763		4,817	4,626
		4.95% (% against PBT)	4.65% (% against PBT)		2.57% (% against PBT)	2.96% (% against PBT)
Profit for the period	25%	59,315	47,376	18%	148,664	125,945
Number of shares in issue ('000)		1,248,029	1,146,133		1,236,306	1,146,133
Earnings per share:						
Basic earnings per ordinary shares (sen)	14.5%	4.46	3.89	9.9%	11.64	10.59
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"

QL RESOURCES BERHAD (428915-X)
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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.12.2014 (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING PERIOD
	3RD QUARTER 1.10.2014 to 31.12.2014	3RD QUARTER 1.10.2013 to 31.12.2013	TO-DATE 1.4.2014 to 31.12.2014	PERIOD 1.4.2013 to 31.12.2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	59,315	47,376	148,664	125,945
Other comprehensive income/(loss), net of tax:				
Foreign currency translation differences for foreign operations	22,914	(9,279)	(9,710)	(52,671)
Cash Flow Hedge	(151)	(571)	(538)	1,173
Total Comprehensive income	82,078	37,526	138,416	74,447
Attributable to:				
Shareholders of the Company	79,810	34,763	135,028	69,821
Minority interests	2,268	2,763	3,388	4,626
Total Comprehensive income	82,078	37,526	138,416	74,447

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)
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QUARTERLY REPORT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31.12.2014 RM'000 Unaudited		At 31.3.2014 RM'000 Audited
ASSETS				
Property, plant and equipment		1,162,958		1,043,158
Intangible assets		1,885		6,906
Biological assets		114,305		111,844
Prepaid lease payments		54,797		58,694
Investment properties		33,132		33,641
Investment in Associates		150,283		101,354
Deferred tax asset		1,281		1,123
Other receivables		10,662		3,966
Total non-current assets		1,529,303		1,360,686
Current Assets				
Inventories	52 days	315,692	41 days	228,997
Biological assets		83,524		80,562
Trade receivables	35 days	262,487	32 days	216,802
Other receivables, assets and prepayment		111,775		95,391
Current tax assets		12,349		6,027
Cash and cash equivalents		202,868		253,157
		988,695		880,936
Total Assets		2,517,998		2,241,622
EQUITY AND LIABILITIES				
Equity				
Share Capital		312,007		312,007
Share Premium		308,018		308,018
Reserves		757,090		665,743
Equity attributable to shareholders of the Company		1,377,115		1,285,768
Minority interests		57,928		59,947
Total Equity		1,435,043		1,345,715
Non-current liabilities				
Long term borrowings (LT Debts/Total Equity)	23%	337,077	20%	268,213
Deferred income		613		1,151
Deferred tax liabilities		69,932		65,695
		407,622		335,059
Current Liabilities				
Payables		188,093		168,009
Short term borrowings		465,966		386,063
Taxation		21,274		6,776
		675,333		560,848
Total Liabilities		1,082,955		895,907
Total equity and liabilities		2,517,998		2,241,622
Net Assets per share (RM)		1.10		1.03
Based on number of shares:('000)		1,248,029		1,248,029

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.

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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2014

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.12.2014

	3rd quarter ended 31.12.2014 RM'000	3rd quarter ended 31.12.2013 RM'000
Profit before tax	187,200	156,280
Adjustments for:		
Depreciation & amortisation	63,212	57,421
(Increase)/Decrease in working capital	(64,763)	71,018
Income tax paid	(29,900)	(24,391)
Others	(18,995)	(11,392)
Net cash from operating activities	136,755	248,936
Purchase of fixed assets	(183,013)	(113,976)
Others	(27,181)	13,084
Net cash used in investing activities	(210,194)	(100,892)
Net borrowings	70,026	(118,081)
Dividend paid to Minority interest	(3,195)	(8,630)
Dividend paid to Shareholders	(43,681)	(37,441)
Others	-	4,202
Net cash from financing activities	23,150	(159,950)
Net increase in cash and cash equivalents	(50,289)	(11,906)
Cash and cash equivalents at 1.4.2014	253,157	129,363
Cash and cash equivalents at 30.9.2014	202,868	117,457

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.

Γ DECEMBER 2014

QL RESOURCES BERHAD (428915-X)
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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31.12.2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST DECEMBER 2014

	← Non-Distributable		→ Distributable						
	Share Capital	Share Premium	Treasury Shares	Hedging reserve	Exchange Translation Reserve	Retained Profit	Attributable to shareholders of the Company	Non-controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9 months ended 31.12.2014									
At 1.4.2014	312,007	308,018	-	382	(57,442)	722,803	1,285,768	59,947	1,345,715
Cash flow hedge				(503)			(503)	(35)	(538)
Foreign currency translation differences for foreign operations					(8,316)		(8,316)	(1,394)	(9,710)
				(503)	(8,316)	-	(8,819)	(1,429)	(10,248)
Profit for the year						143,847	143,847	4,817	148,664
Total comprehensive income for the period				(503)	(8,316)	143,847	135,028	3,388	138,416
Dividend paid						(43,681)	(43,681)	(3,195)	(46,876)
Changes in ownership interests in subsidiaries							-	(2,212)	(2,212)
At 31.12.2014	312,007	308,018	-	(121)	(65,758)	822,969	1,377,115	57,928	1,435,043

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.

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
- IC Interpretation 21, Levies

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").

Following the recent press release by MASB on 2nd September 2014, Transitioning entities are allowed to defer the adoption of MFRS for an additional year, ie for annual period beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework for the financial year ending 31 March 2018. 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

No dividend paid during the period under review.

A7. Segmental Information

Segment information in respect of the Group's business segments for the 3rd quarter ended 31.12.2014.

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	197,253	39,842
Palm Oil Activities	85,164	4,167
Integrated Livestock Farming	450,405	30,601
Total	<u>732,822</u>	<u>74,610</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 guarantes 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 3RD QUARTER ENDED 31.12.2014

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
	1.10.2014 to 31.12.2014	1.10.2013 to 31.12.2013		1.4.2014 to 31.12.2014	1.4.2013 to 31.12.2013	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	197,253	169,885	16%	540,643	470,027	15%
Palm Oil Activities (POA)	85,164	86,542	-2%	272,719	242,535	12%
Integrated Livestock Farming (ILF)	450,405	409,201	10%	1,229,557	1,137,751	8%
Total	732,822	665,628	10%	2,042,919	1,850,313	10%
	1.10.2014 to 31.12.2014	1.10.2013 to 31.12.2013		1.4.2014 to 31.12.2014	1.4.2013 to 31.12.2013	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	39,842	34,032	17%	98,521	89,190	10%
Palm Oil Activities (POA)	4,167	3,819	9%	13,807	2,755	401%
Integrated Livestock Farming (ILF)	30,601	21,614	42%	74,872	64,335	16%
Total	74,610	59,465	25%	187,200	156,280	20%

- a. MPM's current quarter sales increased 16% against corresponding quarter due to overall higher contribution from surimi-based products, fishmeal operations and new contribution from shrimp farming.

MPM's current quarter earnings increased 17% against corresponding quarter mainly due to better fishmeal and new shrimp farming contribution.

Cumulative sales increased 15% due to higher contribution from fishmeal, surimi-based products, Indonesia fishery operations and new contribution from shrimp farming. Cumulative earnings increased 10% due to the same reasons.

- b. POA's current quarter sales decreased 2% against corresponding quarter mainly due to lower CPO price.

(CPO price: RM2,142 current qtr vs RM2,424 corresponding qtr)

POA's current quarter earnings however increased 9% due to higher contribution from Associate (Boilermech) as well as lower losses from Indonesia's oil palm operations.

POA's cumulative sales increased 12% mainly due to higher volume of FFB in Sabah CPO mills.

Cumulative earnings increased significantly due to higher contributions from Sabah CPO mills, Associate (Boilermech) and lower losses from Indonesia's oil palm operations.

- c. ILF's current quarter sales increased 10% against corresponding quarter mainly due to higher volume of raw material traded.

Current quarter earnings, increased 42% against corresponding quarter due to higher contributions from raw material trade and poultry operations.

Cumulative sales increased 8% due to higher volume of feed raw materials traded as well as higher sales contribution from poultry operations.

However cumulative earnings increased 16% mainly due to strong contribution from raw material trade and Peninsular poultry farms operation.

B2 Review of current quarter performance with the preceding quarter.

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.10.2014 to 31.12.2014	1.7.2014 to 30.9.2014		1.10.2014 to 31.12.2014	1.7.2014 to 30.9.2014	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	197,253	171,866	15%	39,842	31,215	28%
Palm Oil Activities (POA)	85,164	83,612	2%	4,167	5,277	-21%
Integrated Livestock Farming (ILF)	450,405	401,063	12%	30,601	25,765	19%
Total	<u>732,822</u>	<u>656,541</u>	12%	<u>74,610</u>	<u>62,257</u>	20%

- a. MPM's current quarter sales increased 15% due to seasonal factor, higher fishmeal and surimi-based products contribution. Earnings increased 28% against preceding quarter due to the same reasons.
- b. POA's current quarter sales increased marginally against preceding quarter. However earnings decreased 21% due to lower CPO price (RM2,142 vs RM2,205) and lower FFB processed margin by Sabah CPO mills due to competition for FFB by entrants of new CPO millers.
- c. ILF's current quarter sales increased 12% against preceding quarter mainly due to higher volume of raw materials traded. Earnings however increased 19% against preceding quarter due to improved margins from raw material trade and Malaysia farming units.

B3 Commentary on Prospects for the next quarter to 31 March 2015

We expect Q4 performance to be satisfactory.
Our management remains optimistic on all three sectors performance in Q4.

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	
To date	
31.12.2014	
RM'000	
	34,383
	4,153
	<u>38,536</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 during the period under review.

B9 Group Borrowings**Short term:**

RM'000

<i>Bank overdraft-short term (unsecured)</i>	20,034
<i>HP Creditors-short term (unsecured)</i>	350
<i>Bankers' acceptance-short term (unsecured)</i>	
- Islamic	65,360
- Non-islamic	270,594
<i>Term loans-short term (unsecured)</i>	
- Islamic	5,221
- Non-islamic	41,745
<i>Revolving credit</i>	55,000
<i>Sukuk</i>	7,661
	<u>465,965</u>

Long Term:

<i>HP Creditors-long term (unsecured)</i>	923
<i>Term loans-long term (unsecured)</i>	
- Islamic	82,001
- Non-islamic	254,154
	<u>337,078</u>
Total Borrowings	<u>803,043</u>

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 31.12.2014, the Group held the following financial assets or liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
Financial Assets:				
Forward exchange contracts	-	20	-	20
Cross currency swap	-	-	3,499	3,499
Interest rate swap	-	-	72	72
Financial Liabilities:				
Forward exchange contracts	-	(3,497)	-	(3,497)
Currency option	-	-	-	-

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 declared

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

	Current quarter ended 31.12.2014	Cumulative Todate 31.12.2014
	<u>55,619</u>	<u>143,847</u>
	<u>1,248,029</u>	<u>1,236,306</u>
	<u>4.46</u>	<u>11.64</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
	868,684
	<u>(69,932)</u>
	798,752
	<u>38,953</u>
	837,705
	<u>(14,738)</u>
	<u><u>822,967</u></u>