

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2015

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 31.3.2015 (UNAUDITED)

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS				
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING CORRESPONDING PERIOD		
	4TH QUARTER 1.1.2015 to 31.3.2015		4TH QUARTER 1.1.2014 to 31.3.2014		TO-DATE 1.4.2014 to 31.3.2015		PERIOD 1.4.2013 to 31.3.2014		
	% increase against last period	RM'000		RM'000	% increase against last period	RM'000		RM'000	
Revenue	9.0%	661,588		606,874	10.1%	2,704,507		2,457,186	
Operating Profit	7.6%	75,855		70,504	10.2%	330,470		299,955	
Depreciation and amortisation	8.2%	(22,511)		(20,797)	9.6%	(85,723)		(78,218)	
Interest income	82.2%	1,494		820	133.9%	5,903		2,524	
Finance costs	14.7%	(10,142)		(8,840)	2.3%	(35,939)		(35,119)	
Fair Value Gain on reclassification of Associate to Available-For Sale Investment		8,346		-		8,346		-	
Share of profit of associates (net)		6,125		5,800		23,310		14,625	
<b>Profit Before Taxation</b>	<b>24.6%</b>	<b>59,167</b>		<b>47,487</b>	<b>20.9%</b>	<b>246,367</b>		<b>203,767</b>	
			(Effective tax rate)		(Effective tax rate)		(Effective tax rate)		(Effective tax rate)
Less: Tax expense		(12,008)	20.3%	(6,678)	14.1%	(50,544)	20.5%	(37,013)	18.2%
<b>Profit for the period</b>	<b>15.6%</b>	<b>47,159</b>		<b>40,809</b>	<b>17.4%</b>	<b>195,823</b>		<b>166,754</b>	
<b>Attributable to:</b>									
Shareholders of the Company	20.9%	46,698		38,610	19.1%	190,545		159,929	
Minority interests		461	0.78% (% against PBT)	2,199	4.63% (% against PBT)	5,278	2.14% (% against PBT)	6,825	3.35% (% against PBT)
<b>Profit for the period</b>	<b>15.6%</b>	<b>47,159</b>		<b>40,809</b>	<b>17.4%</b>	<b>195,823</b>		<b>166,754</b>	
Number of shares in issue ('000)		1,248,029		1,200,485		1,248,029		1,159,547	
<b>Earnings per share:</b>									
Basic earnings per ordinary shares (sen)	16.3%	3.74		3.22	10.7%	15.27		13.79	
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 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)

**INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2015**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31.3.2015 (UNAUDITED)**

	INDIVIDUAL QUARTER		% increase	CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR		CURRENT YEAR	PRECEDING CORRESPONDING
	4TH QUARTER 1.1.2015 to 31.3.2015	4TH QUARTER 1.1.2014 to 31.3.2014		TO-DATE 1.4.2014 to 31.3.2015	PERIOD 1.4.2013 to 31.3.2014
	RM'000	RM'000		RM'000	RM'000
<b>Profit for the period</b>	47,159	40,809		195,823	166,754
<b>Other comprehensive income/(loss), net of tax:</b>					
<b>Foreign currency translation differences for foreign operations</b>	5,826	20,614		(3,884)	(32,057)
<b>Cash Flow Hedge</b>	(370)	(786)		(908)	387
<b>Fair Value changes in AFS Investment</b>	1,584	-		1,584	-
<b>Total Comprehensive income</b>	<u>54,199</u>	<u>60,637</u>		<u>192,615</u>	<u>135,084</u>
<b>Attributable to:</b>					
<b>Shareholders of the Company</b>	53,982	65,331		189,010	135,152
<b>Minority interests</b>	217	(4,694)		3,605	(68)
<b>Total Comprehensive income</b>	<u>54,199</u>	<u>60,637</u>		<u>192,615</u>	<u>135,084</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)  
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**QUARTERLY REPORT**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		At 31.3.2015 RM'000 Unaudited		At 31.3.2014 RM'000 Audited
<b>ASSETS</b>				
Property, plant and equipment		1,238,486		1,043,158
Intangible assets		7,816		6,906
Biological assets		117,014		111,844
Prepaid lease payments		53,344		58,694
Investment properties		33,559		33,641
Investment in Associates		96,284		101,354
Deferred tax asset		1,051		1,123
Other receivables		6,347		3,966
<b>Total non-current assets</b>		<b>1,553,901</b>		<b>1,360,686</b>
<b>Current Assets</b>				
Inventories	48 days	294,452	41 days	228,997
Biological assets		88,899		80,562
Available Available for Sales Investment		61,560		-
Trade receivables	34 days	252,838	32 days	216,802
Other receivables, assets and prepayment		106,513		95,391
Current tax assets		11,715		6,027
Cash and cash equivalents		200,733		253,157
		<b>1,016,710</b>		<b>880,936</b>
<b>Total Assets</b>		<b>2,570,611</b>		<b>2,241,622</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital		312,007		312,007
Share Premium		308,018		308,018
Reserves		811,072		665,743
<b>Equity attributable to shareholders of the Company</b>		<b>1,431,097</b>		<b>1,285,768</b>
Minority interests		70,419		59,947
<b>Total Equity</b>		<b>1,501,516</b>		<b>1,345,715</b>
<b>Non-current liabilities</b>				
Long term borrowings (LT Debts/Total Equity)	22%	326,043	20%	268,213
Deferred income		1,133		1,151
Deferred tax liabilities		71,705		65,695
		<b>398,881</b>		<b>335,059</b>
<b>Current Liabilities</b>				
Payables		214,373		168,009
Short term borrowings		435,682		386,063
Taxation		20,159		6,776
		<b>670,214</b>		<b>560,848</b>
<b>Total Liabilities</b>		<b>1,069,095</b>		<b>895,907</b>
<b>Total equity and liabilities</b>		<b>2,570,611</b>		<b>2,241,622</b>
Net Assets per share (RM) Based on number of shares:( '000)		<b>1.15</b>		<b>1.03</b>
		<b>1,248,029</b>		<b>1,248,029</b>
		-		-

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** (428915-X)  
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**INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.03.2015**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2015**

	← Non-Distributable			Distributable →						
	Share Capital	Share Premium	Treasury Shares	Hedging reserve	Fair Value 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	RM'000
<b>12 months ended 31.03.2015</b>										
At 1.4.2014	312,007	308,018	-	382	-	(57,442)	722,803	<b>1,285,768</b>	59,947	<b>1,345,715</b>
Cash flow hedge				(908)				<b>(908)</b>		<b>(908)</b>
Fair Value changes on AFS Investment					1,584			<b>1,584</b>		<b>1,584</b>
Foreign currency translation differences for foreign operations						(1,978)	(233)	<b>(2,211)</b>	(1,673)	<b>(3,884)</b>
				(908)	1,584	(1,978)	(233)	<b>(1,535)</b>	(1,673)	<b>(3,208)</b>
Profit for the year							190,545	<b>190,545</b>	5,278	<b>195,823</b>
Total comprehensive income for the period				(908)	1,584	(1,978)	190,312	<b>189,010</b>	3,605	<b>192,615</b>
Dividend paid							(43,681)	<b>(43,681)</b>	(3,195)	<b>(46,876)</b>
Changes in ownership interests in subsidiaries								<b>-</b>	10,062	<b>10,062</b>
<b>At 31.03.2015</b>	<b>312,007</b>	<b>308,018</b>	<b>-</b>	<b>(526)</b>	<b>1,584</b>	<b>(59,420)</b>	<b>869,434</b>	<b>1,431,097</b>	<b>70,419</b>	<b>1,501,516</b>

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.

**QL RESOURCES BERHAD** (428915-X)  
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**INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2015**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.3.2015**

	<b>12 months ended 31.3.2015 RM'000</b>	<b>12 months ended 31.3.2014 RM'000</b>
Profit before tax	246,367	203,767
Adjustments for:		
Depreciation & amortisation	85,723	78,218
(Increase)/Decrease in working capital	(76,940)	(24,267)
Income tax paid	(38,651)	(29,980)
Others	(26,998)	46,981
Net cash from operating activities	189,501	274,719
Purchase of fixed assets-net	(275,751)	(179,905)
Others	(30,087)	-
Net cash used in investing activities	(305,838)	(179,905)
Net borrowings	89,288	(248,039)
Dividend paid to Minority interest	(3,195)	(9,211)
Dividend paid to Shareholders	(43,681)	(37,441)
Issuance of shares	-	299,526
Others	-	24,718
Net cash from financing activities	42,412	29,553
Net increase in cash and cash equivalents	(73,925)	124,367
Cash and cash equivalents at 1.4.2014	253,157	129,363
Cash and cash equivalents at 31.3.2015	179,232	253,730

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.

**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 (TEs) shall be required to apply the Malaysian Financial Reporting Standards (MFRS) Framework for annual periods beginning on or after 1 January 2017. TEs comprise entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including the parent, significant investor(s) and joint venturer(s). Generally, TEs are entities involved in the real estate and agriculture industries that had been given the option to continue applying the Financial Reporting Standards (FRS) Framework.

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:

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

**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 4th quarter ended 31.3.2015.

	RM'000	RM'000
	Sales	PBT
Marine products manufacturing	191,908	28,263
Palm Oil Activities	74,577	(823)
Integrated Livestock Farming	395,103	31,727
Total	<b>661,588</b>	<b>59,167</b>

**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.

**INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31.3.2015**

**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
	1.1.2015 to 31.3.2015	1.1.2013 to 31.3.2014		1.4.2014 to 31.3.2015	1.4.2013 to 31.3.2014	
	Sales	Sales		Sales	Sales	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	191,908	148,497	29%	732,551	618,524	18%
Palm Oil Activities (POA)	74,577	92,205	-19%	347,296	334,743	4%
Integrated Livestock Farming (ILF)	395,103	366,172	8%	1,624,660	1,503,919	8%
Total	661,588	606,874	9%	2,704,507	2,457,186	10%
	1.1.2015 to 31.3.2015	1.1.2013 to 31.3.2014		1.4.2014 to 31.3.2015	1.4.2013 to 31.3.2014	
	Profit before tax	Profit before tax		Profit before tax	Profit before tax	
	RM'000	RM'000		RM'000	RM'000	
Marine product manufacturing (MPM)	28,263	20,008	41%	126,650	109,198	16%
Palm Oil Activities (POA)	(823)	6,787	N/A	12,985	9,542	36%
Integrated Livestock Farming (ILF)	31,727	20,692	53%	106,732	85,027	26%
Total	59,167	47,487	25%	246,367	203,767	21%

- a. MPM's current quarter sales increased 29% against corresponding quarter due to higher contribution from Indonesia's fishery, surimi-based products as well as Sabah frozen seafood operations.

MPM's current quarter earnings increased 41% due to the same reason.

Cumulative sales increased 18% due to overall higher contribution from Indonesia fishery and fishmeal operations.

Cumulative earnings increased 16% mainly due to the same reasons.

- b. POA's current quarter sales decreased 19% against corresponding quarter mainly due to lower CPO price and lower FFB processed. (CPO price: RM2,220 current qtr vs RM2,619 corresponding qtr).

POA's current quarter earnings decreased significantly due to the same reasons.

POA's cumulative sales increased 4% despite sharp decreased in CPO price, mainly due to new sales contribution from Indonesia plantation operations.

Cumulative earnings however increased 36% due to lower losses from Indonesia's plantation operations and higher contribution from Boilermech.

- c. ILF's current quarter sales increased 8% against corresponding quarter mainly due to higher unit value and volume of raw material traded. Current quarter earnings increased 53% against corresponding quarter mainly due to reclassification of Associate (Lay Hong Bhd) to Available For Sale (AFS) Investment.

Cumulative sales increased 8% due to higher volume of feed raw materials traded as well as higher farm produced prices.

Cumulative earnings increased 26% mainly due to improved farm produced prices as well as reclassification of Associate (Lay Hong Bhd) to AFS Investment.

**B2 Review of current quarter performance with the preceding quarter.**

	Current quarter	Preceding quarter	% change	Current quarter	Preceding quarter	% change
	1.1.2015 to 31.3.2015	1.10.2014 to 31.12.2014		1.1.2015 to 31.3.2015	1.10.2014 to 31.12.2014	
	Sales	Sales		Profit before tax	Profit before tax	
Activities:						
Marine product manufacturing (MPM)	191,908	197,253	-3%	28,263	39,842	-29%
Palm Oil Activities (POA)	74,577	85,164	-12%	(823)	4,167	N/A
Integrated Livestock Farming (ILF)	395,103	450,405	-12%	31,727	30,601	4%
Total	661,588	732,822	-10%	59,167	74,610	-21%

- a. MPM's current quarter sales only decreased 3% against preceding quarter as seasonal factor was mitigated by Indonesia fishery unit's fishmeal sales from accumulated stocks. Earnings decreased 29% against preceding quarter mainly due to seasonal factor.
- b. POA's current quarter sales only decreased 12% against preceding quarter due to lower FFB processed as it is low crop season. Earnings decreased significantly due to the same reason.
- c. ILF's current quarter sales decreased 12% against preceding quarter mainly due to lower volume of raw materials traded. However earnings increased 4% against preceding quarter due to reclassification of Associate (Lay Hong Bhd) to AFS Investment.

**B3 Commentary on Prospects for the next quarter ending 30.6.15**

Barring unforeseen events, our management expects Q1 results to be satisfactory.

**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	
31.3.15	
RM'000	
	44,949
	<u>5,595</u>
	<u>50,544</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 for the quarter under review.



**B9 Group Borrowings****Short term:**

RM'000

*Bank overdraft-short term (unsecured)*

21,501

*HP Creditors-short term (unsecured)*

355

*Bankers' acceptance-short term (unsecured)*

- Islamic

57,581

- Non-islamic

236,292

293,873

*Term loans-short term (unsecured)*

- Islamic

31,861

- Non-islamic

73,093

104,954

*Revolving credit*

15,000

435,683**Long Term:***HP Creditors-long term (unsecured)*

1,011

*Term loans-long term (unsecured)*

- Islamic

217,217

- Non-islamic

107,814

325,031

-

326,042**Total Borrowings**761,725

**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 31.3.15, 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
<b>Financial Assets:</b>				
Forward exchange contracts	-	137	-	137
Cross currency swap	-	-	4,554	4,554
Commodity options	-	43	-	43
Interest rate swap	-	-	260	260
<b>Financial Liabilities:</b>				
Forward exchange contracts	-	(3,146)	-	(3,146)

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 4.25 sen per share in respect of the year ended 31.3.2015 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 31.3.15	Cumulative todate 31.3.15
(a) Net profit attributable to ordinary shareholders(RM'000)	<u>46,698</u>	<u>190,545</u>
Number of ordinary shares in issue		
(b) ('000)-weighted average	<u>1,248,029</u>	<u>1,248,029</u>
Basic Earnings per share (sen)	<u>3.74</u>	<u>15.27</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

1,003,214

(71,705)

931,509

39,562

971,071

(101,638)

869,433