

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

**INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2015**

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE PERIOD ENDED 30.6.2015 (UNAUDITED)**

	INDIVIDUAL QUARTER				CUMULATIVE QUARTERS			
	CURRENT YEAR		PRECEDING YEAR		CURRENT YEAR		PRECEDING CORRESPONDING PERIOD	
	1ST QUARTER 1.4.2015 TO 30.6.2015		1ST QUARTER 1.4.2014 TO 30.6.2014		TO-DATE 1.4.2015 TO 30.6.2015		PERIOD 1.4.2014 TO 30.6.2014	
	% increase against last period	RM'000	RM'000	% increase against last period	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	0.3%	655,297	653,556	0.3%	655,297	653,556	653,556	
<b>Operating Profit</b>	18.1%	80,681	68,323	18.1%	80,681	68,323	68,323	
<b>Depreciation and amortisation</b>	25.1%	(23,595)	(18,864)	25.1%	(23,595)	(18,864)	(18,864)	
<b>Interest income</b>	-32.7%	1,078	1,601	-32.7%	1,078	1,601	1,601	
<b>Finance costs</b>	56.0%	(9,090)	(5,826)	56.0%	(9,090)	(5,826)	(5,826)	
<b>Share of profit of associates (net)</b>		3,717	5,099		3,717	5,099	5,099	
<b>Profit Before Taxation</b>	5%	52,791	50,333	5%	52,791	50,333	50,333	
<b>Less: Tax expense</b>		(11,066)	(10,158)		(11,066)	(10,158)	(10,158)	
		(Effective tax rate) 21.0%	(Effective tax rate) 20.2%		(Effective tax rate) 21.0%	(Effective tax rate) 20.2%	(Effective tax rate) 20.2%	
<b>Profit for the period</b>	4%	41,725	40,175	4%	41,725	40,175	40,175	
<b>Attributable to:</b>								
<b>Shareholders of the Company</b>	1.4%	40,925	40,356	1.4%	40,925	40,356	40,356	
<b>Minority interests</b>		800	(181)		800	(181)	(181)	
		1.52%	-0.36%		1.52%	-0.36%	-0.36%	
		(% against PBT)	(% against PBT)		(% against PBT)	(% against PBT)	(% against PBT)	
		41,725	40,175		41,725	40,175	40,175	
<b>Number of shares in issue ('000)</b>		1,248,029	1,248,029		1,248,029	1,248,029	1,248,029	
<b>Earnings per share:</b>								
<b>Basic earnings per ordinary shares (sen)</b>	1.4%	3.28	3.23	1.4%	3.28	3.23	3.23	
<b>Diluted earnings per ordinary shares (sen)</b>		NA	NA		NA	NA	NA	

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2015 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 1ST QUARTER ENDED 30.6.2015**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30.6.2015 (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING CORRESPONDING
	1ST QUARTER 1.4.2015 TO 30.6.2015	1ST QUARTER 1.4.2014 TO 30.6.2014	1ST QUARTER 1.4.2015 TO 30.6.2015	1ST QUARTER 1.4.2014 TO 30.6.2014
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	41,725	40,356	41,725	40,356
<b>Other comprehensive income/(loss), net of tax:</b>				
Foreign currency translation differences for foreign operations	7,988	(25,876)	7,988	(25,876)
Cash Flow Hedge	(456)	(18)	(456)	(18)
	-	-	-	-
<b>Total Comprehensive income</b>	<u>49,257</u>	<u>14,462</u>	<u>49,257</u>	<u>14,462</u>
<b>Attributable to:</b>				
Shareholders of the Company	50,021	14,281	50,021	14,281
Minority interests	(764)	181	(764)	181
<b>Total Comprehensive income</b>	<u>49,257</u>	<u>14,462</u>	<u>49,257</u>	<u>14,462</u>

The Condensed Consolidated Statement of Comprehensive Income Statements should be read in conjunction with the Annual Financial Statements for year ended 31 March 2015 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 30.6.2015 RM'000 Unaudited	At 31.3.2015 RM'000 Audited
<b>ASSETS</b>		
Property, plant and equipment	1,265,333	1,239,388
Intangible assets	6,254	6,266
Biological assets	118,429	117,014
Prepaid lease payments	53,196	57,508
Investment properties	33,350	29,151
Investment in Associates	98,249	94,661
Other investment	61,731	61,560
Deferred tax asset	209	1,082
Other receivables	6,001	5,190
<b>Total non-current assets</b>	<b>1,642,752</b>	<b>1,611,820</b>
<b>Current Assets</b>		
Inventories 44 days	265,209	334,608 54 days
Biological assets	90,196	88,899
Trade receivables 37 days	269,987	231,655 31 days
Other receivables, assets and prepayment	104,134	107,640
Current tax assets	3,440	5,223
Derivative financial assets	-	4,690
Cash and cash equivalents	206,273	200,733
	<b>939,239</b>	<b>973,448</b>
<b>Total Assets</b>	<b>2,581,991</b>	<b>2,585,268</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	312,007	312,007
Share Premium	308,018	308,018
Reserves	856,579	806,558
<b>Equity attributable to shareholders of the Company</b>	<b>1,476,604</b>	<b>1,426,583</b>
Minority interests	72,103	72,867
<b>Total Equity</b>	<b>1,548,707</b>	<b>1,499,450</b>
<b>Non-current liabilities</b>		
Long term borrowings (LT Debts/Total Equity) 22%	340,987	326,028 22%
Deferred income	1,322	1,666
Deferred tax liabilities	72,089	72,058
	<b>414,398</b>	<b>399,752</b>
<b>Current Liabilities</b>		
Payables	206,551	238,302
Derivative financial liabilities	726	3,149
Short term borrowings	401,178	430,963
Taxation	10,431	13,652
	<b>618,886</b>	<b>686,066</b>
	<b>1,033,284</b>	<b>1,085,818</b>
<b>Total equity and liabilities</b>	<b>2,581,991</b>	<b>2,585,268</b>
	<b>1.18</b>	<b>1.14</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 2015 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 1ST QUARTER ENDED 30.6.2015**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2015**

	←-----Non-Distributable-----→						Distributable		Non-controlling interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Hedging reserve	Fair Value Reserve	Exchange Translation Reserve	Retained Profit	Attributable to shareholders of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 30.6.15</b>										
At 1.4.2015	312,007	308,018	-	(2,603)	1,584	(62,125)	869,702	<b>1,426,583</b>	72,867	<b>1,499,450</b>
Cash flow hedge				(456)				<b>(456)</b>		<b>(456)</b>
AFS								-		
Foreign currency translation differences for foreign operations						9,552		<b>9,552</b>	(1,564)	<b>7,988</b>
Profit for the year	-	-	-	(456)	-	9,552	40,925	<b>9,096</b>	(1,564)	<b>7,532</b>
Total comprehensive income for the period	-	-	-	(456)	-	9,552	40,925	<b>50,021</b>	(764)	<b>49,257</b>
Change in ownership								-		-
Expenses incurred for issuance of shares								-	-	-
<b>At 30.6.2015</b>	<b>312,007</b>	<b>308,018</b>	<b>-</b>	<b>(3,059)</b>	<b>1,584</b>	<b>(52,573)</b>	<b>910,627</b>	<b>1,476,604</b>	<b>72,103</b>	<b>(18)</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for year ended 31 March 2015 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 1ST QUARTER ENDED 30.6.2015**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH JUNE 2015**

	<b>1st quarter ended 30.6.2015 RM'000</b>	<b>1st quarter ended 30.6.2014 RM'000</b>
Profit before tax	52,791	50,333
Adjustments for:		
Depreciation & amortisation	23,595	18,864
(Increase)/Decrease in working capital	(39,193)	(115,502)
Income tax paid	(7,838)	(6,567)
Others	9,206	(1,557)
Net cash from operating activities	38,561	(54,429)
Purchase of fixed assets	(49,540)	(37,577)
Increase in investment in associate	-	(3,100)
Others	(172)	-
Net cash used in investing activities	(49,712)	(40,677)
Net borrowings	18,030	42,176
Dividend paid to MI	-	-
Net cash from financing activities	18,030	42,176
Net increase in cash and cash equivalents	6,879	(52,930)
Cash and cash equivalents at 1.4.2015	175,191	253,157
Cash and cash equivalents at 30.6.2015	182,070	200,227

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for year ended 31 March 2015 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 1ST QUARTER ENDED 30.6.2015**

**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:-

- 1) FRS, Interpretations and Amendments which are effective for annual periods beginning on or after 1st January 2016.
  - Amendments to FRS 10, FRS128 (2011), Consolidated Financial Statements: Investment Entities
  - Amendments to FRS 10, FRS128 (2011), Sale, Contribution of Assets between Investor and its Associates or Joint Venture
  - Amendments to FRS 11, Accounting for Acquisitions of Interest in Joint Operations
  - Amendments to FRS 12, Disclosure of Interests in Other Entities: Investment Entities
  - Amendments to FRS 101, Presentation of Financial Statements-Disclosure Initiative
  - Amendments to FRS 116, FRS138, Clarification of Acceptable Methods of Depreciation and Amortisation.
  - Amendments to FRS 119, Defined Benefits Plans - Employee Contributions
  - Amendments to FRS 127, Separate Financial Statements - Equity Method in Separate Financial Statements
  - Amendments to FRS 134, Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)
  - Amendments to FRS 139, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
- 2) FRS, Interpretations and Amendments which are effective for annual periods beginning on or after 1st January 2018.
  - FRS9, Financial Instruments (2014)

**Malaysian Financial Reporting Standards (MFRS Framework)**

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:

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 1st quarter ended 30.6.2015

	RM'000	RM'000
	Sales	PBT
Marine product manufacturing (MPM)	186,462	36,461
Palm Oil Activities (POA)	89,950	3,302
Integrated Livestock Farming (ILF)	378,885	13,028
Total	<u>655,297</u>	<u>52,791</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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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30.6.2015****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
	1.4.2015 to 30.6.2015	1.4.2014 to 30.6.2014		1.4.2015 to 30.6.2015
	Sales	Sales		Sales
	RM'000	RM'000		RM'000
Marine product manufacturing (MPM)	186,462	171,524	9%	186,462
Palm Oil Activities (POA)	89,950	103,943	-13%	89,950
Integrated Livestock Farming (ILF)	378,885	378,089	0.2%	378,885
Total	655,297	653,556	0.3%	655,297
	1.4.2015 to 30.6.2015	1.4.2014 to 30.6.2014		1.4.2015 to 30.6.2015
	Profit before tax	Profit before tax		Profit before tax
	RM'000	RM'000		RM'000
Marine product manufacturing (MPM)	36,461	27,464	33%	36,461
Palm Oil Activities (POA)	3,302	4,363	-24%	3,302
Integrated Livestock Farming (ILF)	13,028	18,506	-30%	13,028
Total	52,791	50,333	5%	52,791

- a. MPM's current quarter sales increased 9% against corresponding quarter mainly due to higher surimi-based products contrit However, earnings for the current quarter increased 33% due to higher fishmeal and surimi-based products margins as well as new subsidiary contribution as compared to corresponding period.
- b. POA's current quarter sales decreased 13% against corresponding quarter mainly due to lower CPO price (RM2,158 vs RM: POA's current quarter earnings decreased 24% against corresponding quarter mainly due to lower plantation contribution as
- c. ILF's current quarter sales was flat against corresponding quarter mainly due to delay shipment delivery of feed raw material As a result of poor poultry farm produce prices and lower margins from raw material trade, earnings decreased by 30%.

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

	Current quarter	Preceding quarter	% change	Current quarter
	1.4.2015 to 30.6.2015	1.1.2015 to 31.3.2015		1.4.2015 to 30.6.2015
	Sales	Sales		Profit before tax
Activities:				
Marine product manufacturing (MPM)	186,462	191,908	-3%	36,461
Palm Oil Activities (POA)	89,950	74,577	21%	3,302
Integrated Livestock Farming (ILF)	378,885	395,104	-4%	13,028
Total	655,297	661,589	-1%	52,791

- a. Despite Q1 being seasonally stronger, MPM's current quarter sales decreased 3% against preceding quarter due to lower su Earnings increased significantly against preceding quarter mainly due to export margin improvement as a consequent of Rin

- b. POA's current quarter sales increased 21% against preceding quarter mainly due to increased in FFB processed. Earnings increased significantly due to positive contribution from Indonesian plantation unit.
- c. ILF's current quarter sales decreased 4% against preceding quarter mainly due to delay shipment delivery of feed raw mater. However, earnings decreased significantly against preceding quarter mainly due to overall weaker farm produced prices.

**B3 Prospects for the next quarter to 30 September 2015.**

Barring unforeseen events, the management are cautiously optimistic that in Q2FY16 we will continue to perform in this challenge.

**B4 Profit Forecast**

No profit forecast was published during the period under review.

**B5 Tax expense**

	Individual quarter
	3 months ended
	30.6.2015
	<b>RM'000</b>
Current income tax expense	9,897
Deferred tax expense	1,169
	11,066

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**

There were no corporate proposals for the quarter under review.

**B9 Group Borrowings**

**Short term:**

*Bank overdraft-short term (unsecured)*

*HP Creditors-short term (unsecured)*

*Bankers' acceptance-short term (unsecured)*

*Bankers' acceptance (Islamic)-short term (unsecured)*

*Term loans-short term (unsecured)*

*Term loans-short term (Islamic - unsecured)*

*Revolving Credit*

**Long Term:**

*HP Creditors-long term (unsecured)*

*Term loans-long term (unsecured)*

*Term loans-long term (Islamic unsecured)*

**Total Borrowings**



## B10 Financial instruments

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

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 indire

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

As at 30.6.2015, 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>				
Cross currency swap	-	1,834		1,834
Interest rate swap	-		4,981	4,981
Forward exchange contracts	-		72	72
	-	1,834	5,053	6,887
<b>Financial Liabilities:</b>				
Cross currency swap	-	(4,362)		(4,362)
Commodity options	-		(51)	(51)
	-	(4,362)	(51)	(4,413)

## 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 30.6.2015
(a) Net profit attributable to ordinary shareholders(RM'000)	40,925
(b) Number of ordinary shares in issue ('000)- weighted average	1,248,029
Basic Earnings per share (sen)	3.28

## B15 Realised and Unrealised profits

Total Retained profit of the Group:

Realised

Unrealised

Total Retained profit of Associates:

Realised

Consolidation Adjustments

Total Group Retained profit as per consolidated accounts

<b>Cumulative corresponding quarters last year</b>	<b>% change</b>
<b>1.4.2014 to 30.6.2014</b>	
<b>Sales</b>	
<b>RM'000</b>	
171,524	9%
103,943	-13%
378,089	0.2%
653,556	0.3%
<b>1.4.2014 to 30.6.2014</b>	
<b>Profit before tax</b>	
<b>RM'000</b>	
27,464	33%
4,363	-24%
18,506	-30%
50,333	5%

ution and new subsidiary contribution.

2,561 corresponding qtr).  
the consequence of lower CPO price

s.

<b>Preceding quarter</b>	<b>% change</b>
<b>1.1.2015 to 31.3.2015</b>	
<b>Profit before tax</b>	
28,263	29%
(823)	NA
31,727	-59%
59,167	-11%

irimi-based products contribution and GST effect.  
iggit depreciation.

ials.

anging business environment.

**Cumulative period**

<b>Todate</b>
<b>30.6.2015</b>
<b>RM'000</b>
9,897
1,169
11,066

RM'000

24,203
183
216,292
52,720
56,296
36,484
15,000
401,178
1,000
113,413
226,574
340,987
742,165

air value:

ctly.

**Cumulative  
Todate  
30.6.2015**

<u>40,925</u>
<u>1,248,029</u>
<u>3.28</u>

RM'000

1,051,278
<u>(72,089)</u>
979,189
<u>41,373</u>
<u>1,020,562</u>
<u>(109,935)</u>
<u>910,627</u>