

GLENEALY PLANTATIONS (MALAYA) BERHAD
Company No:3453-X

QUARTERLY REPORT

Quarterly report on consolidated results for the 4th quarter ended 30 June 2007. The figures have not been audited.

The condensed consolidated income statement should be read in conjunction with the annual financial report for the year ended 30 June 2006.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/6/2007 RM'000	30/6/2006 RM'000	30/6/2007 RM'000	30/6/2006 RM'000
Revenue	42,290	26,564	141,113	107,863
Other operating income	1,527	979	4,352	3,642
Operating expenses	(23,455)	(26,662)	(91,555)	(85,673)
Profit from operations	20,362	881	53,910	25,832
Finance costs	-	-	-	-
Share of (loss)/profit in associate	(242)	(32)	(987)	43
Profit before income tax	20,120	849	52,923	25,875
Taxation	(4,497)	91	(13,602)	(7,720)
Profit for the period	15,623	940	39,321	18,155
Attributable to:				
Shareholders of the Company	12,575	1,085	31,346	15,132
Minority Interests	3,048	(145)	7,975	3,023
Profit for the period	15,623	940	39,321	18,155
(a) Basic earnings per share attributable to shareholders of the Company (sen):	11.02	0.95	27.47	13.20
Profit for the period (RM '000)	12,575	1,085	31,346	15,132
Weighted average number of ordinary shares on issue during the reporting quarter (' 000)	114,091	114,091	114,091	114,606
(b) Diluted earnings per share (sen)	Not applicable	Not applicable	Not applicable	Not applicable

GLENEALY PLANTATIONS (MALAYA) BERHAD
Company No:3453-X

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2007

The condensed consolidated balance sheet should be read in conjunction with the annual financial report as at 30 June 2006.

	AS AT END OF CURRENT PERIOD 30/6/2007 RM'000	AS AT PRECEDING FINANCIAL YEAR 30/06/2006 RM'000
Property, plant and equipment	174,867	165,253
Biological assets	216,468	209,629
Investment in associate	921	1,908
Investments	957	957
Current assets		
Inventories	4,839	5,225
Trade and other receivables	14,627	8,864
Tax recoverable	1,403	1,967
Deposits, bank and cash balances	125,394	106,437
	<u>146,263</u>	<u>122,493</u>
Current liabilities		
Trade and other payables	22,221	23,690
Tax liabilities	2,179	424
	<u>24,400</u>	<u>24,114</u>
Net current assets	<u>121,863</u>	<u>98,379</u>
Deferred taxation	70,566	63,399
	<u>444,510</u>	<u>412,727</u>
Capital and reserves		
Share capital	115,362	115,362
Share premium	2,818	2,818
Treasury shares	(2,423)	(2,423)
Exchange reserve	203	-
Other reserve	163,840	163,840
Retained earnings	124,762	99,988
Equity attributable to shareholders of the Company	<u>404,562</u>	<u>379,585</u>
Minority interests	39,948	33,142
	<u>444,510</u>	<u>412,727</u>
Net assets per share (RM)	3.55	3.33

GLENEALY PLANTATIONS (MALAYA) BERHAD
Company No:3453-X

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2007

The condensed cash flow statement should be read in conjunction with the annual financial report for the year ended 30 June 2006.

	UNAUDITED FOR THE CURRENT PERIOD ENDED 30/6/2007 RM'000	UNAUDITED FOR THE CORRESPONDING PERIOD ENDED 30/06/2006 RM'000
Profit after taxation	39,321	18,155
Adjustments:		
Depreciation and amortisation	23,875	22,745
Taxation	13,602	7,720
Interest income	(3,433)	(3,200)
Biological assets written off	410	517
Property, plant and equipment written off	394	144
Gain on disposal of property, plant and machinery	(77)	(7)
Share of loss/(profit) of in associate	987	(43)
Dividend income	(126)	(188)
	74,953	45,843
Changes in working capital		
Current assets	(5,377)	(1,245)
Current liabilities	(2,463)	7,309
Net tax paid	(4,116)	(7,825)
Restricted fixed deposits	(45)	(63)
Net cash flow from operating activities	62,952	44,019
Purchase of property, plant, equipment	(22,937)	(27,132)
Additions of biological assets	(17,202)	(18,001)
Proceeds from disposal of property, plant and equipment	78	45
Land premium paid	-	(883)
Purchase of subsidiary's shares from minority shareholders	-	(6)
Investment in an associate	-	(216)
Interest received	3,433	3,200
Dividend received	126	188
Net cash flow from investing activities	(36,502)	(42,805)
Purchase of treasury shares	-	(2,356)
Dividend paid	(6,572)	(6,643)
Dividend paid to minority shareholders	(1,169)	(389)
Net cash flow from financing activities	(7,741)	(9,388)
Net changes in cash and cash equivalents	18,709	(8,174)
Cash and cash equivalents at beginning of the financial year	105,102	113,276
Foreign exchange difference	203	-
Cash and cash equivalents at end of the financial year	124,014	105,102
Cash and cash equivalents as at 30 June 2007 is represented by:		
Cash and bank balances	9,219	3,216
Short term deposits	116,175	103,221
	125,394	106,437
Less: restricted balances	(1,380)	(1,335)
	124,014	105,102

GLENEALY PLANTATIONS (MALAYA) BERHAD
Company No:3453-X

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2007

The condensed consolidated statement of changes in equity should be read in conjunction with the annual financial report for the year ended 30 June 2006.

	Issued and fully paid up ordinary shares of RM 1 each						Total equity attributable to equity holders of the Company RM ' 000	Minority interests RM ' 000	Total equity RM ' 000
	Non-Distributable		Distributable						
	Share capital RM ' 000	Share premium RM ' 000	Treasury shares RM ' 000	Exchange reserve RM ' 000	Other reserve RM ' 000	Retained earnings RM ' 000			
As at 1 July 2005 - restated	115,362	2,818	(67)	-	163,840	91,499	373,452	30,514	403,966
Net profit for the year	-	-	-	-	-	15,132	15,132	3,023	18,155
Purchase of treasury shares	-	-	(2,356)	-	-	-	(2,356)	(6)	(2,362)
Dividend paid	-	-	-	-	-	(6,643)	(6,643)	(389)	(7,032)
At 30 June 2006	115,362	2,818	(2,423)	-	163,840	99,988	379,585	33,142	412,727
At 1 July 2006 - restated	115,362	2,818	(2,423)	-	163,840	99,988	379,585	33,142	412,727
Net profit for the year	-	-	-	-	-	31,346	31,346	7,975	39,321
Net gain not recognised in income statement	-	-	-	203	-	-	203	-	203
Dividend paid	-	-	-	-	-	(6,572)	(6,572)	(1,169)	(7,741)
At 30 June 2007	115,362	2,818	(2,423)	203	163,840	124,762	404,562	39,948	444,510

GLENEALY PLANTATIONS (MALAYA) BERHAD
Company No:3453-X

NOTES TO 4th QUARTER FINANCIAL STATEMENTS
for the financial quarter ended 30 June 2007

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") No. 134: Interim Financial Reporting and Part K of the Bursa Malaysia Securities Berhad ("Bursa Malaysia")

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2006.

2. Changes in Accounting Policies

The significant accounting policies adopted in the unaudited interim financial statements are consistent with those adopted in the Group's audited financial statements for the year ended 30 June 2006 except for adoption of the following revised Financial Reporting Standards ("FRS") issued by MASB that are effective for the Group's financial statements commencing 1 July 2006:-

- FRS 3 Business Combinations
- FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- FRS 101 Presentation of Financial Statements
- FRS 102 Inventories
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events after Balance Sheet Date
- FRS 116 Property, Plant and Equipment
- FRS 121 The Effects of Changes in Foreign Exchange Rates
- FRS 127 Consolidated and Separate Financial Statements
- FRS 128 Investment in Associates
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets

The adoption of the above mentioned standards does not have significant impact on the Group. The principal effects of the changes in accounting policies with respect to the adoption of the new and revised FRS are discussed below:-

(a) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS 101 has resulted in the Group having to present:

- i) minority interest within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit for the year. A similar requirement is also applied to the statement of changes in equity;
- ii) the share of taxation of associates accounted for using the equity method and now included in the consolidated income statement before arriving at the Group's profit before taxation ; and
- iii) biological assets are now required to be separately disclosed on the face of the balance sheet.

The presentation of the comparative figures in the financial statements of the Group has been restated to conform with the current period's presentation.

(b) FRS 116 : Property, Plant and Equipment

In accordance with FRS 116, the asset's residual values, useful lives and depreciation method will be assessed at each financial year and adjusted if necessary. If the residual value of an asset increases to an amount equal to or greater than the asset's carrying amount, the asset's depreciation charge is zero unless and until its residual value subsequently decreases to an amount below the asset's carrying amount.

The Group has applied the above accounting policies and there is no material impact to the financial results of the Group.

3. Preceding annual financial statements

The audit report of the preceding annual financial statements for the year ended 30 June 2006 was unqualified.

4. Seasonality or Cyclical Factors

Climate conditions and the age of our palms continued to have effect on the oil palm plantations' operational performance. For the financial quarter under review, the CPO prices continued to rise on the back of lower stock levels coupled with lower than expected production. The average CPO price achieved for the quarter under review was RM2,407/MT, which was higher than the preceding financial quarter of RM1,919/MT.

5. Exceptional item

There were no items for which by nature or amount affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size, or incidence during the quarter under review.

6. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the quarter under review.

7. Changes in debt and equity

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the quarter under review.

8. Dividends paid

The Company paid a first and final dividend of 8 sen per share on 114,090,792 ordinary shares, less 28% income tax amounting to RM6,571,630 for financial year ended 30 June 2006 on 11 December 2006.

9. Segmental information

All of the Group's plantations are located in East Malaysia and therefore segmental reporting is not applicable.

10. Valuations of property, plant and equipment

The Company does not have a policy on revaluing its property, plant and equipment.

11. Material events subsequent to the end of the reporting quarter

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements.

12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year to-date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

13. Contingent liabilities or contingent assets

No contingent liabilities or contingent assets had arisen since the last annual balance sheet date except for that disclosed in Note 20: Material Litigation below.

14. Taxation

Taxation comprises:-

	Individual Quarter <u>Apr 07- Jun 07</u> <u>RM ' 000</u>	Cumulative Year to Date July 06 - Jun 07 <u>RM ' 000</u>
Current taxation	1,763	6,171
Deferred taxation	<u>2,389</u>	<u>7,686</u>
	4,152	13,857
Under provision in respect of prior years	264	264
Over provision of deferred tax in respect of prior years	<u>81</u>	<u>(519)</u>
	<u>4,497</u>	<u>13,602</u>

15. Profits/(losses) on sale of unquoted investments and/or properties

There were no disposals of unquoted investments and/ or properties during the quarter under review.

16. Quoted securities

Total investments in quoted securities as at 30 June 2007 were as follows:

	RM'000
(i) At cost	957
(ii) At carrying value/book value	957
(iii) At market value	3,752

17. Status of Corporate Proposals

There were no new corporate proposals during the quarter under review.

18. Group borrowings and debt securities

The Group does not have any borrowings or debt securities at the end of the reporting quarter.

19. Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

20. Material litigation

There were no pending material litigation as at the date of this report except for the following:

Wembley I.B.A.E Sdn Bhd (in Liquidation) v Timor Enterprises Sdn Bhd (hereinafter referred to as "Suit II")

The Company had announced on 28 March 2003 that its wholly owned sub-subsidiary company Timor Enterprises Sdn Bhd (hereinafter referred to as "Defendant") had been served with a Writ of Summons on 20 March 2003 in respect of Suit II by Wembley I.B.A.E Sdn Bhd (in Liquidation) (hereinafter referred to as "Plaintiff") which was the Defendant's main contractor for its oil mill factory project in Lahad Datu, Sabah (hereinafter referred to as "Oil Mill").

The Plaintiff's claims against the Defendant which were in respect of the Oil Mill were judgement for the sum alleged to be in arrears of RM 799,893.17 plus interest costs before the judgement date up to the date of full settlement, costs of Suit II and any other relief deemed fit and proper by the High Court. The Board of Directors are of the view that there are no such sums due and owing by the Defendant to the Plaintiff and the Defendant's solicitors had filed a defence and served it upon the solicitors of the Plaintiff on 10 April 2003. The solicitors for the Plaintiff had served a notice to the Defendant to file an affidavit verifying existence of documents on 22 March 2004.

The Defendant had filed an application to strike out the action. The Summons in Chambers was served onto the Plaintiff on 5 October 2004. The learned Senior Assistant Registrar had on 22 March 2005 made an order for the striking out of the Plaintiff's claim. However, the Plaintiff had on 24 March 2005 appealed against the decision. The hearing of the Plaintiff's appeal has been fixed for 14 September 2005.

On 14 September 2005, the learned Judge of the High Court dismissed the Plaintiff's appeal with costs to be paid by the Plaintiff to the Defendant.

The Plaintiff has since filed an appeal against the decision of the High Court to the Court of Appeal, and is pending determination.

The Group has in the meantime filed an application for an assessment of costs in respect of the High Court orders of 22 March 2005 and 14 September 2005. This application has been fixed for hearing before the learned Deputy Registrar on 6 September 2006.

On 6 September 2006, after hearing submissions, the Deputy Registrar informed both parties that decision on the application will be rendered on 12 October 2006.

Decision on the Defendant's application for an assessment of costs was delivered by the Deputy Registrar on 12 October 2006. In this regard, the learned Deputy Registrar had directed that several reductions were to be made in numerous items that were sought for in the application referred above. The Defendant's solicitors have reverted that the total sum of RM17,446.38 is payable to the Defendant as costs in respect of the High Court proceedings pursuant to the Deputy Registrar's decision on the Defendant's application for assessment of costs.

On 27 December 2006, the solicitors for the Plaintiff agreed to pay the sum of RM17,446.38 to the Defendant. The Defendant has agreed not to proceed with allocatur and to consider the issue of costs fully settled.

On 9 January 2007, a cheque of RM17,446.38 was received by the Defendant's solicitors and subsequently, the sum was forwarded to the Defendant.

At present, no date has been fixed for the hearing of the Plaintiff's appeal to the Court of Appeal and the appeal remains pending determination.

21. Material changes in the quarterly results compared to the results of the immediate preceding quarter

For the financial quarter under review, the Group achieved total CPO sales of 16,946 MT with an average CPO price of RM2,407 /MT as compared to 16,451 MT with an average CPO price of RM1,919/MT for the immediate preceding quarter. With both higher volumes and price of CPO sold, revenue for the financial quarter under review rose to RM42.3 million, which was higher than that in the preceding financial quarter of RM32.7 million. Profit before taxation of RM20.1 million was RM8.7 million higher than that of the preceding quarter mainly due to these factors.

On an earnings before interest, tax, depreciation and amortization ("EBITDA") basis, the Group achieved RM25.1 million which was higher than the preceding quarter of RM16.3 million.

22. Review of performance of the Group for the current quarter and financial year-to-date

The Group's Fresh Fruit Bunches ("FFB") production for the quarter under review was 64,384 MT. During the financial quarter, the Group produced 16,809 MT of CPO and 16,946 MT was sold at an average selling price of RM2,407/MT. With cost of production per MT being well managed, the Group achieved a profit before tax of RM20.1 million and earnings before interest, depreciation, tax and amortisation of RM25.1 million.

For the financial year to date, the Group's FFB production was 279,637 MT. With total CPO sales of 74,064 MT at an average price of RM1,847/MT, the company achieved a profit before tax of RM52.9 million and EBITDA of RM72.2 million. During the financial year to date, the Group planted an additional 1,972 hectares of oil palm in Sarawak, bringing the total immature area planted in Sarawak to 6,050 hectares.

23. Commentary on the outlook for the Group

CPO prices have risen further since the close of the financial quarter under review. The current outlook remains positive supported by the strong demand from the importing countries, such as China, India and the European Union, potential global supply shortage, coming festival season , possible lower soybean hectarage (US & South America) and the continuing positive sentiments from biodiesel.

The Group will continue to emphasise the effective and efficient management of the estates and the mills. The Group's plantation maturity profile comprising palms that are reaching its peak production cycle should bring consistent improving yields to the Group.

24. Variation of actual profit from forecast profit and shortfall in profit guarantee

The Group did not issue any profit forecast for this quarter and therefore comments on variances with forecast profit are not applicable.

25. Dividends

The Board propose a first and final dividend of 10 sen per share less income tax amounting to RM8,328,628 (2006: a first and final dividend of 8 sen per share less income tax amounting to RM6,571,630) in respect of the financial year ended 30 June 2007, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

TAN GHEE KIAT (MICPA 811)
T.V. SEKHAR A/L T.G. VENKATESAN (MICPA 1371)
Secretaries
Kuala Lumpur
20 August 2007