

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

**QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE 3<sup>RD</sup> QUARTER ENDED 31 MARCH 2008**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year Corresponding Period</b>
	<b>31/3/2008 RM'000</b>	<b>31/3/2007 RM'000</b>	<b>31/3/2008 RM'000</b>	<b>31/3/2007 RM'000</b>
Revenue	54,753	32,707	171,098	98,823
Other operating income	1,048	879	25,734	2,825
Operating expenses	(29,076)	(22,086)	(87,373)	(68,100)
<b>Profit from operations</b>	<u>26,725</u>	<u>11,500</u>	<u>109,459*</u>	<u>33,548</u>
Financing costs	-	-	-	-
Share of (loss)/profit after tax of associates	(217)	(114)	(798)	(745)
<b>Profit before taxation</b>	<u>26,508</u>	<u>11,386</u>	<u>108,661</u>	<u>32,803</u>
Taxation	(6,359)	(3,313)	(21,526)	(9,105)
<b>Net profit for the period</b>	<u>20,149</u>	<u>8,073</u>	<u>87,135</u>	<u>23,698</u>
<b>Attributable to:</b>				
Equity holders of the Company	16,282	6,406	74,976	18,771
Minority interests	3,867	1,667	12,159	4,927
Profit for the period	<u>20,149</u>	<u>8,073</u>	<u>87,135</u>	<u>23,698</u>
(a) Basic earnings per share (sen)	14.27	5.61	65.72	16.45
Net profit for the period (RM'000)	16,282	6,406	74,976	18,771
Weighted average number of ordinary shares on issue during the reporting quarter ('000)	114,091	114,091	114,091	114,091
(b) Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

\* Includes RM21.6 million gain made on the sub-licensing of a tree plantation compartment within a forest plantation land known as Lana Plantation to Samling Reforestation (Bintulu) Sdn Bhd.

**The condensed consolidated income statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2007.**

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008**

	As at end of current quarter 31/3/2008 RM'000	As at preceding financial year end 30/06/2007 Restated RM'000
<b>Non-current assets</b>		
Property, plant and equipment	154,538	144,997
Prepaid lease payments	49,387	29,870
Biological assets	219,016	216,468
Investment in associates	123	921
Investments	957	957
	424,021	393,213
	-----	-----
<b>Current assets</b>		
Inventories	9,988	4,839
Receivables, deposits and prepayments	23,722	14,627
Tax recoverable	792	1,403
Cash and cash equivalents	169,986	125,394
	204,488	146,263
	-----	-----
<b>Current liabilities</b>		
Payables and accruals	26,691	22,221
Current tax liabilities	6,927	2,179
	33,618	24,400
	-----	-----
<b>Net current assets</b>	170,870	121,863
	-----	-----
<b>Non-current liabilities</b>		
Deferred tax liabilities	83,803	70,566
	511,088	444,510
	=====	=====

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2008  
(CONT'D)**

	As at end of current quarter 31/3/2008 RM'000	As at preceding financial year end 30/06/2007 Restated RM'000
<b>Capital and reserves</b>		
Share capital	115,362	115,362
Share premium	2,818	2,818
Treasury shares	(2,423)	(2,423)
Exchange reserve	(1,458)	203
Other reserve	163,840	163,840
Retained earnings	182,967	124,762
	-----	-----
<b>Total equity attributable to shareholders of the Company</b>	461,106	404,562
Minority interests	49,982	39,948
	511,088	444,510
 Net asset per share attributable to equity holders of the Company (RM)	4.04	3.55

**The condensed consolidated balance sheets should be read in conjunction with the annual financial statements for the financial year ended 30 June 2007.**

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	<i>Issued and fully paid up ordinary shares of RM1 each</i>		<i>Non-distributable</i>		<i>Distributable</i>		<b>Total equity attributable to equity shareholders</b>	<b>Minority interests</b>	<b>Total equity</b>
	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Treasury shares RM'000</b>	<b>Exchange reserve RM'000</b>	<b>Other reserve RM'000</b>	<b>Retained profits RM'000</b>			
<b>At 1 July 2006</b>	115,362	2,818	(2,423)	-	163,840	99,988	379,585	33,142	412,727
Net profit for the period	-	-	-	-	-	18,771	18,771	4,927	23,698
Dividends paid in respect of financial year ended 30 June 2006						(6,572)	(6,572)	(1,169)	(7,741)
<b>At 31 March 2007</b>	<b>115,362</b>	<b>2,818</b>	<b>(2,423)</b>	<b>-</b>	<b>163,840</b>	<b>112,187</b>	<b>391,784</b>	<b>36,900</b>	<b>428,684</b>
<b>At 1 July 2007</b>	115,362	2,818	(2,423)	203	163,840	124,762	404,562	39,948	444,510
Net gain/(loss) recognised directly in equity									
- Currency translation differences	-	-	-	(1,661)	-	-	(1,661)	-	(1,661)
Net profit for the period	-	-	-	-	-	74,976	74,976	12,159	87,135
Dividends paid in respect of									
- 30 June 2007	-	-	-	-	-	(8,328)	(8,328)	(392)	(8,720)
- 30 June 2008	-	-	-	-	-	(8,443)	(8,443)	(1,733)	(10,176)
<b>At 31 March 2008</b>	<b>115,362</b>	<b>2,818</b>	<b>(2,423)</b>	<b>(1,458)</b>	<b>163,840</b>	<b>182,967</b>	<b>461,106</b>	<b>49,982</b>	<b>511,088</b>

**The condensed consolidated statements of changes in equity should be read in conjunction with the annual financial statements for the financial year ended 30 June 2007.**

**GLENEALY PLANTATIONS (MALAYA) BERHAD**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 3<sup>RD</sup> QUARTER  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED  
31 MARCH 2008**

	<b>Current period ended 31/3/2008 RM'000</b>	<b>Corresponding period ended 31/3/2007 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit after taxation	87,135	23,698
Adjustments for:-		
Depreciation and amortisation	17,610	17,069
Taxation	21,526	9,105
Interest income	(3,707)	(2,610)
Biological assets and property, plant and equipment written off	508	495
Share of loss after tax of associates	798	745
	123,873	48,502
Operating profit before working capital changes		
Change in inventories	(5,147)	(568)
Change in receivables, deposits and prepayments	(9,095)	(5,256)
Change in payables and accruals	4,470	(4,384)
	114,101	38,294
Cash generated from operations		
Restricted fixed deposits	-	(23)
Taxes paid	(2,930)	(3,685)
	111,171	34,586
<b>Net cash generated from operating activities</b>	111,171	34,586
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of biological assets and property, plant and equipment	(49,727)	(28,844)
Investment in an associate	-	(807)
Interest received	3,707	2,610
	(46,020)	(27,041)
<b>Net cash (used in)/generated from investing activities</b>	(46,020)	(27,041)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(16,771)	(6,572)
Dividend paid to minority shareholders	(2,125)	(1,169)
	(18,896)	(7,741)
<b>Net cash used in financing activities</b>	(18,896)	(7,741)

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ENDED 31 MARCH 2008**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED  
31 MARCH 2008 (CONT'D)**

	<b>Current period ended 31/3/2008 RM'000</b>	<b>Corresponding period ended 31/3/2007 RM'000</b>
Net (decrease)/increase in cash and cash equivalents	46,255	(196)
Cash and cash equivalents at beginning of financial year	124,014	105,102
Foreign exchange difference on opening balances	(1,663)	-
	168,606	104,906
	=====	=====
 Cash and cash equivalents as at 31 March is represented by:		
Cash and bank balances	32,730	4,142
Deposits	137,256	102,122
	169,986	106,264
Less: Restricted balances	(1,380)	(1,358)
	168,606	104,906
	=====	=====

**The condensed consolidated cash flow statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2007.**

**GLENEALY PLANTATIONS (MALAYA) BERHAD**  
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ENDED 31 MARCH 2008**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 3RD QUARTER ENDED  
31 MARCH 2008**

**1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134, Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2007. 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 2007.

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 financial year ended 30 June 2007 except for the adoption of the following revised FRS issued by the Malaysian Accounting Standards Board (“MASB”) that are effective for the Group’s financial statements commencing 1 July 2007:-

a) FRS 117, Leases

Prior to the adoption of the FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. Under the FRS 117, leasehold land is an operating lease unless title passes to the lessee at the end of the lease term. With the adoption of the FRS 117, the unamortised carrying amounts of leasehold land are now classified as prepaid lease payments and amortised over the period of its remaining lease term, as allowed by the transitional provisions of the FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

The effects on the comparatives to the Group on adoption of FRS 117 are as follows:

	As previously reported RM’000	Effects of reclassification RM’000	As restated RM’000
Property, plant and equipment	203,925	(49,387)	154,538
Prepaid lease payments	-	49,387	49,387

b) FRS 124, Related Party Disclosures

This standard affects the identification of related parties, and results in additional related party disclosures presented in the financial statements.

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ENDED 31 MARCH 2008**

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**2. Preceding annual financial statements**

The audit report of the preceding annual financial statements for the year ended 30 June 2007 was unqualified.

**3. Seasonality of 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, CPO prices continued to rise due to the supply shortage of global edible oils and strong demand from importing countries. The average CPO price achieved for the quarter under review was RM3,321/MT , which was higher than the preceding financial quarter of RM2,845/MT.

**4. 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.

**5. 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.

**6. Changes in debt and equity securities**

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

**7. Dividends paid**

The Company paid an interim dividend of 10 sen per share on 114,090,792 ordinary shares, less 26% income tax amounting to RM8,442,719 for financial year ended 30 June 2008 on 28 February 2008.

**8. Segmental information**

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

**9. Valuations of property, plant and equipment**

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



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**10. Material events subsequent to the end of the reporting quarter**

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

**11. 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.

**12. 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 19: Material Litigation below.

**13. Taxation**

	<b>Current quarter Jan'08 – Mar'08 RM'000</b>	<b>Current financial year-to-date Jul'07 – Mar'08 RM'000</b>
Current tax expense	2,408	8,289
Deferred tax expense	3,951	13,237
	-----	-----
	6,359	21,526
	=====	=====

**14. 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.

**15. Quoted securities**

(a) There were no purchases or disposals of quoted securities for the current quarter and financial year to date.

(b) Total investments in quoted securities as at 31 March 2008 were as follows:

	<b>RM'000</b>
(i) At carrying value / book value	957
(ii) At market value	3,024

**16. Status of Corporate Proposals**

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

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17. **Group borrowings and debt securities**

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

18. **Off balance sheet financial instruments**

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

19. **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 defense 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.

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ENDED 31 MARCH 2008**

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19. 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.

20. **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 16,142 MT with an average CPO price of RM3,321/MT as compared to 21,458 MT with an average CPO price of RM2,845/MT for the immediate preceding quarter. The revenue for the financial quarter fell to RM54.7 million as a result of lower volumes of CPO sold. The revenue for the preceding financial quarter was RM62.9 million. Profit before taxation of RM26.5 million for the financial quarter under review was RM30.1 million lower as the immediate preceding quarter results included an exceptional gain of RM21.6 million arising from the sub-licence of a tree plantation.

On an earnings before interest, tax, depreciation and amortisation ("EBITDA") basis, the Group achieved RM31.2 million which was lower than the preceding quarter of RM61.0 million mainly because of the exceptional gain recognized in the preceding quarter.

21. **Review of performance of the Group for the quarter and financial year-to-date**

The Group's Fresh Fruit Bunches ("FFB") production for the quarter under review was 68,359 MT. During the financial quarter, the Group produced 17,790 MT of CPO and 16,142 MT was sold at an average selling price of RM3,321/MT. With cost of production per MT being well managed, the Group achieved an operating profit before tax of RM87.0 million for the financial year to date. After accounting for a gain of RM21.6 million made on the sub-licensing of a tree plantation compartment within a forest plantation land known as Lana Plantation to Samling Reforestation (Bintulu) Sdn Bhd, the Group achieved a profit before tax of RM108.6 million and earnings before interest, depreciation, tax and amortisation of RM122.5 million.

During the quarter under review, the Group planted an additional 175 hectares of oil palm in Lana, Sarawak, bringing the total immature area planted in Sarawak to 6,878 hectares.

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ENDED 31 MARCH 2008**

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**22. Commentary on the outlook of the Group**

CPO prices have risen further in the quarter under review and the outlook for the next quarter is expected to remain stable above RM3,000 per metric tonne mark as demand is likely to be sustained. Palm oil demand from traditional markets like China and India is expected to remain strong as China enters its summer months coupled with India reduction in import duties on vegetable oils imports to curb the increase in food prices. Supplies of vegetable oils remains tight this season due to reduced stocks from previous weather related problems in producing countries. There is also continuing demand for biodiesel, supported by high crude oil prices (Crude oil prices have reached USD130 per barrel as at the date of this announcement).

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

**23. 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.

**24. Dividends**

The Board does not propose to declare or recommend any interim dividend for the current quarter.

BY ORDER OF THE BOARD

TAN GHEE KIAT (MICPA 811)  
T.V.SEKHAR A/L T.G.VENKATESAN (MICPA 1371)

Company Secretaries

Kuala Lumpur  
22 May 2008