

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

**QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE 4th QUARTER ENDED 30 JUNE 2008**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year	Preceding Year
	30/6/2008 RM'000	30/6/2007 RM'000	30/6/2008 RM'000	30/6/2007 RM'000
Revenue	76,261	42,290	247,359	141,113
Other operating income	1,179	1,527	26,913	4,352
Operating expenses	(41,141)	(23,455)	(128,514)	(91,555)
<b>Profit from operations</b>	<b>36,299</b>	<b>20,362</b>	<b>145,758*</b>	<b>53,910</b>
Financing costs	-	-	-	-
Share of (loss)/profit after tax of associates	(227)	(242)	(1,025)	(987)
<b>Profit before taxation</b>	<b>36,072</b>	<b>20,120</b>	<b>144,733</b>	<b>52,923</b>
Taxation	(11,407)	(4,497)	(32,933)	(13,602)
<b>Net profit for the period</b>	<b>24,665</b>	<b>15,623</b>	<b>111,800</b>	<b>39,321</b>
<b>Attributable to:</b>				
Equity holders of the Company	19,991	12,575	94,967	31,346
Minority interests	4,674	3,048	16,833	7,975
Profit for the period	24,665	15,623	111,800	39,321
(a) Basic earnings per share (sen)	17.52	11.02	83.24	27.47
Net profit for the period (RM'000)	19,991	12,575	94,967	31,346
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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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 4th QUARTER  
ENDED 30 JUNE 2008****The figures have not been audited****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2008**

	As at end of current quarter 30/6/2008 RM'000	As at preceding year end 30/6/2007 Restated RM'000
<b>Non-current assets</b>		
Property, plant and equipment	160,865	144,997
Prepaid lease payments	48,963	29,870
Biological assets	224,173	216,468
Investment in associates	1,740	921
Investments	957	957
	<hr/> 436,698	<hr/> 393,213
	-----	-----
<b>Current assets</b>		
Inventories	6,207	4,839
Receivables, deposits and prepayments	25,142	14,627
Tax recoverable	3,212	1,403
Cash and cash equivalents	194,421	125,394
	<hr/> 228,982	<hr/> 146,263
	-----	-----
<b>Current liabilities</b>		
Payables and accruals	33,666	22,221
Current tax liabilities	12,645	2,179
	<hr/> 46,311	<hr/> 24,400
	-----	-----
<b>Net current assets</b>	182,671	121,863
	-----	-----
<b>Non-current liabilities</b>		
Deferred tax liabilities	83,198	70,566
	<hr/> 536,171	<hr/> 444,510
	=====	=====

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 30 JUNE 2008  
(CONT'D)**

	<b>As at end of current quarter 30/6/2008 RM'000</b>	<b>As at preceding year end 30/6/2007 Restated RM'000</b>
<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	201	203
Other reserve	163,840	163,840
Retained earnings	202,958	124,762
	<hr/>	<hr/>
<b>Total equity attributable to shareholders of the Company</b>	482,756	404,562
Minority interests	53,415	39,948
	<hr/>	<hr/>
	536,171	444,510
	<hr/> <hr/>	<hr/> <hr/>
Net asset per share attributable to equity holders of the Company (RM)	4.23	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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*Issued and  
fully paid  
up ordinary  
shares of  
RM1 each*

*Non-distributable*

*Distributable*

	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Exchange reserve RM'000	Other reserve RM'000	Retained profits RM'000	Total equity attributable to equity shareholders of the Company RM'000	Minority interests RM'000	Total equity RM'000
<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	-	-	-	-	-	31,346	31,346	7,975	39,321
Net gain not recognised in income statement	-	-	-	203	-	-	203	-	203
Dividends paid in respect of financial year ended 30 June 2006						(6,572)	(6,572)	(1,169)	(7,741)
<b>At 30 June 2007</b>	<b>115,362</b>	<b>2,818</b>	<b>(2,423)</b>	<b>203</b>	<b>163,840</b>	<b>124,762</b>	<b>404,562</b>	<b>39,948</b>	<b>444,510</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	-	-	-	(2)	-	-	(2)	-	(2)
New Investments in Foreign Subsidiary	-	-	-	-	-	-	-	1,759	1,759
Net profit for the period	-	-	-	-	-	94,967	94,967	16,833	111,800
Dividends paid in respect of									
- 30 June 2007	-	-	-	-	-	(8,328)	(8,328)	(392)	(8,720)
- 30 June 2008	-	-	-	-	-	(8,443)	(8,443)	(4,733)	(13,176)
<b>At 30 June 2008</b>	<b>115,362</b>	<b>2,818</b>	<b>(2,423)</b>	<b>201</b>	<b>163,840</b>	<b>202,958</b>	<b>482,756</b>	<b>53,415</b>	<b>536,171</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 4th QUARTER ENDED 30 JUNE 2008**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008**

	Current year ended 30/6/2008 RM'000	Preceding year ended 30/6/2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit after taxation	111,800	39,321
Adjustments for:-		
Depreciation and amortisation	26,212	23,875
Taxation	32,933	13,602
Interest income	(5,022)	(3,433)
Biological assets and property, plant and equipment written off	509	804
(Gain) on disposal of prepaid lease rental	(21,596)	-
(Gain) / loss on disposal of property, plant and machinery	215	(77)
Share of loss after tax of associates	1,025	987
Dividend income	(131)	(126)
Operating profit before working capital changes	<u>145,945</u>	<u>74,953</u>
Change in inventories	(1,369)	386
Change in receivables, deposits and prepayments	(8,759)	(5,763)
Change in payables and accruals	8,446	(2,463)
Cash generated from operations	<u>144,263</u>	<u>67,113</u>
Restricted fixed deposits	(43)	(45)
Taxes paid	(12,568)	(4,116)
Taxes refund	925	-
<b>Net cash generated from operating activities</b>	<u>132,577</u>	<u>62,952</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of biological assets and property, plant and equipment	(69,602)	(40,139)
Proceeds from disposal of property, plant and machinery	21,596	78
Interest received	5,022	3,433
Dividend received	131	126
Investment in an associate	(1,844)	-
<b>Net cash (used in)/generated from investing activities</b>	<u>(44,697)</u>	<u>(36,502)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(16,771)	(6,572)
Dividend paid to minority shareholders	(2,125)	(1,169)
<b>Net cash used in financing activities</b>	<u>(18,896)</u>	<u>(7,741)</u>

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**The figures have not been audited**

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

	<b>Current year ended 30/6/2008 RM'000</b>	<b>Preceding year ended 30/6/2007 RM'000</b>
Net (decrease)/increase in cash and cash equivalents	68,984	18,709
Cash and cash equivalents at beginning of financial year	124,014	105,102
Foreign exchange difference on opening balances	-	203
<b>Cash and cash equivalents at end of the period</b>	<u>192,998</u>	<u>124,014</u>
Cash and cash equivalents as at 30 June is represented by:		
Cash and bank balances	21,721	9,219
Deposits	172,700	116,175
	<u>194,421</u>	<u>125,394</u>
Less: Restricted balances	(1,423)	(1,380)
	<u>192,998</u>	<u>124,014</u>

**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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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 4th QUARTER ENDED 30 JUNE 2008

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### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 4th QUARTER ENDED 30 JUNE 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	174,867	(29,870)	144,997
Prepaid lease payments	-	29,870	29,870

##### 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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### 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 RM3,518/MT , which was higher than the preceding financial quarter of RM3,321/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**

There were no dividends paid during the quarter under review.

### 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**

During the current quarter, the Group formed a 95% owned foreign subsidiary in Indonesia, PT Abdi Borneo Plantations. There were no other 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 Apr'08 – Jun'08 RM'000</b>	<b>Current financial year-to-date Jul'07 – Jun'08 RM'000</b>
Current tax expense	11,866	20,155
Deferred tax expense	(459)	12,778
	-----	-----
	11,407	32,933
	=====	=====

**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 30 June 2008 were as follows:

	RM'000
(i) At carrying value / book value	957
(ii) At market value	3,251

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#### 16. Status of Corporate Proposals

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

#### 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 defendant were subsequently awarded a total sum of RM17,446.38. On 27 December 2006, the solicitors for the Plaintiff agreed to pay the sum and was forwarded to the Defendant. The Defendant has agreed not to proceed with allocatur and to consider the issue of costs fully settled.

The Plaintiff has since filed an appeal against the decision of the High Court to the Court of Appeal. 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.

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**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 21,442 MT with an average CPO price of RM3,518/MT as compared to 16,142 MT with an average CPO price of RM3,321/MT for the immediate preceding quarter. The revenue for the financial quarter improved to RM76.2 million as a result of higher volume of CPO sold with higher average CPO price. The revenue for the preceding financial quarter was RM54.7 million. Profit before taxation of RM36.1 million for the financial quarter under review was RM9.6 million higher as compared to the preceding financial quarter.

On an earnings before interest, tax, depreciation and amortisation ("EBITDA") basis, the Group achieved RM42.9 million which was higher than the preceding quarter of RM31.2 million.

**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 67,094 MT. During the financial quarter, the Group produced 17,960 MT of CPO and 21,442 MT was sold at an average selling price of RM3,518/MT. There was a slight increase in the Group's cost of production per MT which resulted from higher fuel and fertilizer cost.

The Group achieved a profit before tax of RM144.7 million for the financial year under review. This was after the recognition of 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. If this gain is excluded, the Group made an operating profit before tax of RM123.1 million for the financial year under review. In terms of earnings before interest, depreciation, tax and amortization, the Group achieved RM165.4 million.

During the quarter under review, the Group planted an additional 431 hectares of oil palm in Lana, Sarawak, bringing the total immature area planted in Sarawak to 7,309 hectares.

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

CPO prices have sustained its momentum from the preceding quarter to rise further in the quarter under review. However, after a strong quarter, palm oil price is now coming under considerable downward pressure due to higher local stocks and a strong correction in most world vegetable oils prices and crude petroleum price. A recovery in sunseed, rapeseed supplies coupled with a relatively good soybean growing season in the US thus far have caused vegetable oils prices to retreat from the highs prevailing in the earlier part of the year. High prices and a slowing world economy seemed to result in some demand rationing especially in the vegetable oil usage for fuel. The outlook for palm oil prices in the coming financial year 2009 is expected to remain positive with prices generally being influenced by the direction of crude petroleum price, the weather in the oilseeds producing countries, palm oil demand from India, Pakistan and China for the upcoming festival seasons and the general health of the world economy.

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 and higher 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 propose a final dividend of 10 sen per share less income tax amounting to RM8,556,809 and a special dividend of 10 sen per share less income tax amounting to RM8,556,809 in respect of the financial year ended 30 June 2008, 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)

Company Secretaries

Kuala Lumpur  
15 August 2008