

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

**QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2008**

The figures have not been audited

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Individual Quarter		Cumulative	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/12/2008 RM'000	31/12/2007 RM'000	31/12/2008 RM'000	31/12/2007 RM'000
Revenue	31,831	62,865	94,060	116,345
Other operating income	1,718	23,347	3,391	24,686
Operating expenses	(23,331)	(29,294)	(62,722)	(58,298)
<b>Profit from operations</b>	<b>10,218</b>	<b>56,918 *</b>	<b>34,729</b>	<b>82,733 *</b>
Share of (loss)/profit after tax of associates	(343)	(299)	(482)	(581)
<b>Profit before taxation</b>	<b>9,875</b>	<b>56,619</b>	<b>34,247</b>	<b>82,152</b>
Taxation	(868)	(8,739)	(8,877)	(15,167)
<b>Net profit for the period</b>	<b>9,007</b>	<b>47,880</b>	<b>25,370</b>	<b>66,985</b>
<b>Attributable to:</b>				
Equity holders of the Company	7,102	42,905	19,919	58,693
Minority interests	1,905	4,975	5,451	8,292
Profit for the period	9,007	47,880	25,370	66,985
(a) Basic earnings per share (sen)	6.22	37.61	17.46	51.44
Net profit for the period (RM'000)	7,102	42,905	19,919	58,693
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 2008.**

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Company No: 3453-X

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2008****The figures have not been audited****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2008**

	As at end of current quarter 31/12/2008	As at preceding year end 30/6/2008
	RM'000	RM'000
<b>Non-current assets</b>		
Property, plant and equipment	183,477	160,865
Prepaid lease payments	48,453	48,963
Biological assets	231,194	224,173
Investment in associates	1,258	1,740
Investments	957	957
	<hr/>	<hr/>
	465,339	436,698
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<b>Current assets</b>		
Inventories	14,900	6,208
Receivables, deposits and prepayments	16,710	25,143
Tax recoverable	1,041	3,212
Cash and cash equivalents	175,218	194,420
	<hr/>	<hr/>
	207,869	228,983
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<b>Current liabilities</b>		
Payables and accruals	32,332	33,666
Current tax liabilities	15,248	12,646
	<hr/>	<hr/>
	47,580	46,312
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<b>Net current assets</b>	160,289	182,671
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<b>Non-current liabilities</b>		
Deferred tax liabilities	82,619	83,198
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	543,009	536,171
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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2008  
(CONT'D)**

	As at end of current quarter 31/12/2008 RM'000	As at preceding year end 30/6/2008 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	(788)	202
Other reserve	163,840	163,840
Retained earnings	205,762	202,957
	<hr/>	<hr/>
<b>Total equity attributable to shareholders of the Company</b>	484,571	482,756
Minority interests	58,438	53,415
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	543,009	536,171
	<hr/> <hr/>	<hr/> <hr/>
Net asset per share attributable to equity holders of the Company (RM)	4.25	4.23

**The condensed consolidated balance sheets should be read in conjunction with the annual financial statements for the financial year ended 30 June 2008.**

**GLENEALY PLANTATIONS (MALAYA) BERHAD**

Company No: 3453-X

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ENDED 31 DECEMBER 2008**

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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 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	-	-	-	(1,376)	-	-	(1,376)	-	(1,376)
Net profit for the period	-	-	-	-	-	58,693	58,693	8,292	66,985
Dividend paid in respect of financial year ended 30 June 2007	-	-	-	-	-	(8,328)	(8,328)	(392)	(8,720)
<b>At 31 December 2007</b>	115,362	2,818	(2,423)	(1,173)	163,840	175,127	453,551	47,848	501,399
<b>At 1 July 2008</b>	115,362	2,818	(2,423)	202	163,840	202,957	482,756	53,415	536,171
Net profit for the period		-		-	-	19,919	19,919	5,451	25,370
Net gain not recognised in the income statement		-		(990)	-	-	(990)	-	(990)
Dividend paid in respect of financial year ended 30 June 2008		-		-	-	(17,114)	(17,114)	(402)	(17,516)
Addition investment in a subsidiary		-		-	-	-	-	(26)	(26)
<b>At 31 December 2008</b>	115,362	2,818	(2,423)	(788)	163,840	205,762	484,571	58,438	543,009

**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 2008.**

**GLENEALY PLANTATIONS (MALAYA) BERHAD**

Company No: 3453-X

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2008**

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2008**

	Current year quarter ended 31/12/2008 RM'000	Preceding year corresponding quarter ended 31/12/2007 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit after taxation	25,370	66,985
Adjustments for:-		
Depreciation and amortisation	13,670	11,580
Taxation	8,877	15,167
Interest income	(3,327)	(2,395)
Biological assets and property, plant and equipment written off	-	508
Share of loss after tax of associates	482	581
Operating profit before working capital changes	45,072	92,426
Change in inventories	(8,692)	(4,335)
Change in receivables, deposits and prepayments	8,314	(280)
Change in payables and accruals	(1,333)	(3,198)
Cash generated from operations	43,361	84,613
Taxes paid	(4,683)	(1,569)
<b>Net cash generated from operating activities</b>	<b>38,678</b>	<b>83,044</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of biological assets and property, plant and equipment	(42,674)	(37,318)
Purchase of shares from minority shareholders	(27)	-
Interest received	3,327	2,395
<b>Net cash used in investing activities</b>	<b>(39,374)</b>	<b>(34,923)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to shareholders	(17,114)	(8,328)
Dividend paid to minority shareholders	(402)	(392)
<b>Net cash used in financing activities</b>	<b>(17,516)</b>	<b>(8,720)</b>
Net increase in cash and cash equivalents	(18,212)	39,401
Cash and cash equivalents at beginning of financial year	192,997	124,014
Foreign exchange difference on opening balances	(990)	(1,376)
<b>Cash and cash equivalents at end of the period</b>	<b>173,795</b>	<b>162,039</b>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER  
ENDED 31 DECEMBER 2008**

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Cash and cash equivalents as at 31 December is represented by:

Cash and bank balances	7,287	14,015
Deposits	167,931	149,404
	<u>175,218</u>	<u>163,419</u>
Less: Restricted balances	(1,423)	(1,380)
	<u>173,795</u>	<u>162,039</u>
	=====	=====

**The condensed consolidated cash flow statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2008.**

**GLENEALY PLANTATIONS (MALAYA) BERHAD**

**Company No: 3453-X**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2008**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 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 2008. 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 2008.

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 2008.

# GLENEALY PLANTATIONS (MALAYA) BERHAD

Company No: 3453-X

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2008

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**The figures have not been audited**

### 2. **Preceding annual financial statements**

The audit report of the preceding annual financial statements for the year ended 30 June 2008 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 fall as the world goes through its worse financial crisis which slows down the demand for palm oil from consuming countries. The average CPO price achieved for the quarter under review was RM1,675/MT, which was lower than the preceding financial quarter of RM2,915/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 a special dividend of 10 sen per share less income tax amounting to RM8,556,809 and a final dividend of 10 sen per share less income tax amounting to RM8,556,809 for the financial year ended 30 June 2008 on 11 December 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.



**GLENEALY PLANTATIONS (MALAYA) BERHAD**

Company No: 3453-X

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 2<sup>ND</sup> QUARTER ENDED 31 DECEMBER 2008****The figures have not been audited****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 Oct'08 – Dec'08 RM'000</b>	<b>Current financial year-to-date Jul'08 – Dec'08 RM'000</b>
Taxation based on profit for the period:		
Malaysian income tax	183	8,753
Deferred taxation	1,229	668
	1,412	9,421
Under/(over) provision in respect of prior year:		
Malaysian income tax	703	703
Deferred taxation	(1,247)	(1,247)
	868	8,877

**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 December 2008 were as follows:

	RM'000
(i) At carrying value / book value	957
(ii) At market value	1,671

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**Company No: 3453-X**

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---

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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 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 18,140 MT with an average CPO price of RM1,675/MT as compared to 20,659 MT with an average CPO price of RM2,915/MT for the immediate preceding quarter. The revenue for the financial quarter declined to RM31.8 million mainly as a result of lower volume of CPO sold coupled with lower average CPO price. The revenue for the preceding financial quarter was RM62.2 million. Profit before taxation of RM9.8 million for the financial quarter under review was RM14.5 million lower as compared to the preceding financial quarter.

On an earnings before interest, tax, depreciation and amortisation ("EBITDA") basis, the Group achieved RM15.4 million which was lower than the preceding quarter of RM29.1 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 78,766 MT. During the financial quarter, the Group produced 21,038 MT of CPO and 18,140 MT was sold at an average selling price of RM1,675/MT. The Group's cost of production per MT has gone up due to the increase in fertilizer cost but nevertheless, under control. For the financial year-to-date, the Group sold 38,799 MT of CPO at an average price of RM2,335/MT. It achieved a profit before tax of RM34.2 million and earnings before interest, depreciation, tax and amortization of RM44.5 million.

During the quarter under review, the Group planted an additional 565 hectares of oil palm in Lana, Sarawak, bringing the total immature area planted in Sarawak to 8,020 hectares.

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

Crude palm oil prices have recently recovered from the lows of RM1300-1400 registered in second financial quarter due to improved export demand and higher soyabean oil prices as a result of deteriorating weather conditions in South America which is expected to affect the soyabean harvesting. Crude palm oil stocks fell further to 1.83 million MT in Jan-09 after registering a high of 2.26 million MT in Nov-08. With the seasonally lower supply of crude palm oil expected in the current financial quarter and the competitive pricing of palm oil relative to other vegetable oils, the Group is cautiously optimistic that palm oil prices will remain stable around the current price range in the medium term.

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 their peak production cycle should bring consistent improving and higher yields to the Group. New areas coming into maturity in the second half of the financial year will also increase the Group's FFB production.

**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.

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**Company No: 3453-X**

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ENDED 31 DECEMBER 2008**

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**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

19 February 2009