

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

QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year To Date 30/09/2011 RM'000	Preceding Year Corresponding Period To Date 30/09/2010 RM'000
Revenue	71,677	42,606	71,677	42,606
Other operating income	1,259	825	1,259	825
Operating expenses	(41,383)	(29,204)	(41,383)	(29,204)
Profit from operations	<u>31,553</u>	<u>14,227</u>	<u>31,553</u>	<u>14,227</u>
Share of loss after tax of an associate	0	(23)	0	(23)
Profit before taxation	<u>31,553</u>	<u>14,204</u>	<u>31,553</u>	<u>14,204</u>
Tax expense	(8,876)	(4,310)	(8,876)	(4,310)
Profit for the period	<u>22,677</u>	<u>9,894</u>	<u>22,677</u>	<u>9,894</u>
	=====	=====	=====	=====
Attributable to:				
Equity holders of the Company	19,015	7,412	19,015	7,412
Non-Controlling Interests	3,662	2,482	3,662	2,482
Profit for the period	<u>22,677</u>	<u>9,894</u>	<u>22,677</u>	<u>9,894</u>
	=====	=====	=====	=====
(a) Basic earnings per share (sen)	16.67	6.50	16.67	6.50
Net profit for the period (RM'000)	19,015	7,412	19,015	7,412
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

The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.

GLENEALY PLANTATIONS (MALAYA) BERHAD
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**QUARTERLY REPORT ON THE CONSOLIDATED RESULTS FOR THE 1ST QUARTER
 ENDED 30 SEPTEMBER 2011**

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year To Date 30/09/2011 RM'000	Preceding Year Corresponding Period To Date 30/09/2010 RM'000
Profit for the period	22,677	9,894	22,677	9,894
Other comprehensive income for the period* :				
- Exchange difference on the re-translation of financial statements of subsidiaries	781	(388)	781	(388)
- Fair value of available-for-sales financial assets	(500)	(20)	(500)	(20)
Total comprehensive income for the period	<u>22,958</u>	<u>9,486</u>	<u>22,958</u>	<u>9,486</u>
Total comprehensive income attributable to :				
Equity holders of the Company	19,296	7,004	19,296	7,004
Non-Controlling Interests	3,662	2,482	3,662	2,482
	<u>22,958</u>	<u>9,486</u>	<u>22,958</u>	<u>9,486</u>

Note: * The component of other comprehensive income does not have any significant tax effect.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.

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Company No: 3453-X

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER
ENDED 30 SEPTEMBER 2011**

The figures have not been audited**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of Current Quarter 30/09/2011 RM'000	As at Preceding Financial Year End 30/06/2011 RM'000
Non-current assets		
Property, plant and equipment	234,280	231,312
Prepaid lease payments	50,484	49,609
Biological assets	291,210	283,508
Investment in associates	0	0
Available-for-sale financial assets	2,091	2,591
	<hr/>	<hr/>
	578,065	567,020
	-----	-----
Current assets		
Inventories	18,563	17,209
Receivables, deposits and prepayments	29,107	37,760
Tax recoverable	2,542	4,260
Cash and cash equivalents	173,469	151,930
	<hr/>	<hr/>
	223,681	211,159
	<hr/>	<hr/>
TOTAL ASSETS	801,746	778,179
	=====	=====

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	As at end of Current Quarter 30/09/2011 RM'000	As at Preceding Financial Year End 30/06/2011 RM'000
EQUITY AND LIABILITIES		
Total Equity		
Share capital	115,362	115,362
Share premium	2,818	2,818
Treasury shares	(2,423)	(2,423)
Exchange reserve	(150)	(931)
Other reserve	163,840	163,840
Fair value reserve	1,134	1,634
Retained earnings	321,998	302,982
	<hr/>	<hr/>
Total equity attributable to equity holders of the Company	602,579	583,283
Non-Controlling interests	64,236	60,574
	<hr/>	<hr/>
Total Equity	666,815	643,857
	<hr/>	<hr/>
Non-current liabilities		
Deferred tax liabilities	98,419	94,563
Current liabilities		
Payables and accruals	29,491	32,709
Current tax liabilities	7,021	7,050
	<hr/>	<hr/>
Total Current liabilities	36,512	39,759
	<hr/>	<hr/>
Total Liabilities	134,931	134,322
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	801,746	778,179
	=====	=====
Net asset per share attributable to equity holders of the Company (RM)	5.28	5.11

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.

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Company No: 3453-X

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<i>Issued and fully paid ordinary shares of RM1 each</i> Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Exchange reserve RM'000	Other reserve RM'000	Retained profits RM'000	Fair Value reserves RM'000	Total equity attributable to equity shareholders of the Company RM'000	Non- Controlling interests RM'000	Total equity RM'000
At 1 July 2010	115,362	2,818	(2,423)	(232)	163,840	240,232	0	519,597	58,894	578,491
Effect arising from adoption of FRS 139	0	0	0	0	0	0	377	377	0	377
As at 1 July 2010 (restated)	115,362	2,818	(2,423)	(232)	163,840	240,232	377	519,974	58,894	578,868
Total comprehensive income for the financial year	0	0	0	(388)	0	7,412	(20)	7,004	2,482	9,486
At 30 September 2010	115,362	2,818	(2,423)	(620)	163,840	247,644	357	526,978	61,376	588,354

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

	<i>Issued and fully paid ordinary shares of RM1 each</i> Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Exchange reserve RM'000	Other reserve RM'000	Retained profits RM'000	Fair Value reserves RM'000	Total equity attributable to equity shareholders of the Company RM'000	Non- Controlling interests RM'000	Total equity RM'000
At 1 July 2011	115,362	2,818	(2,423)	(931)	163,840	302,983	1,634	583,283	60,574	643,857
Total comprehensive income for the financial year	0	0	0	781	0	19,015	(500)	19,296	3,662	22,958
At 30 September 2011	115,362	2,818	(2,423)	(150)	163,840	321,998	1,134	602,579	64,236	666,815

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 2011.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**The figures have not been audited****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	Current Period Ended 30/09/2011 RM'000	Preceding Period Ended 30/09/2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after taxation	22,677	9,894
Adjustments for:-		
Depreciation and amortisation	9,707	9,142
Taxation	8,876	4,310
Interest income	(1,240)	(735)
Dividend income	(48)	(46)
Gain on disposal of property, plant & equipment	(5)	0
Net change in fair value of available-for-sale financial assets	0	20
Share of loss after tax of an associate	0	23
Operating profit before working capital changes	<u>39,967</u>	<u>22,608</u>
Change in inventories	(1,354)	(6,616)
Change in receivables, deposits and prepayments	8,935	(4,339)
Change in restricted fixed deposits	0	10
Change in payables and accruals	(3,218)	4,487
Cash generated from operations	<u>44,330</u>	<u>16,150</u>
Taxes paid	(3,330)	(2,057)
Net cash generated from operating activities	<u>41,000</u>	<u>14,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of biological assets and property, plant and equipment	(20,151)	(19,091)
Addition of prepaid lease rental	(1,102)	(260)
Dividend received	48	46
Interest received	958	735
Proceeds from disposal of property, plant & equipment	5	0
Net cash used in investing activities	<u>(20,242)</u>	<u>(18,570)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to owners	0	0
Dividends paid to non-controlling interests	0	0
Net cash used in financing activities	<u>0</u>	<u>0</u>
Net increase/(decrease) in cash and cash equivalents	20,758	(4,477)
Cash and cash equivalents at beginning of financial year	148,093	118,061
Foreign exchange difference on opening balances	781	(388)
Cash and cash equivalents at end of financial year	<u>169,632</u>	<u>113,196</u>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER
ENDED 30 SEPTEMBER 2011**

The figures have not been audited

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

	Current Period Ended 30/09/2011 RM'000	Preceding Period Ended 30/09/2010 RM'000
Cash and cash equivalents are represented by:		
Cash and bank balances	14,574	10,015
Deposits	158,895	104,776
	<u>173,469</u>	<u>114,791</u>
Less: Restricted deposits	(3,837)	(1,595)
	<u>169,632</u> =====	<u>113,196</u> =====

The condensed consolidated statement of cash flow should be read in conjunction with the annual financial statements for the financial year ended 30 June 2011.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

The figures have not been audited

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

1. **Basis of preparation**

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2011. These explanatory notes attached to the condensed consolidated 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 2011.

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 2011 except for the adoption of the following new and revised standards, amendments and interpretations that are effective for financial period from 1 July 2011:

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
 - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
 - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*
- *Improvements to FRSs (2010)*
- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC Interpretation 14, *Prepayments of a Minimum Funding Requirement*

The adoption of above standards, amendments and interpretations has no material impact on the financial statements to the Group.

2. **Preceding annual financial statements**

The audit report of the preceding annual financial statements for the year ended 30 June 2011 was unqualified.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER
ENDED 30 SEPTEMBER 2011**

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3. Seasonality of Cyclical Factors

Crop production is seasonal in nature. Production in Fresh Fruit Bunches (“FFB”) normally peaks in the first half of the financial year and then declines to the second half of the financial year. This pattern can be affected by changes in weather conditions, such as El-Nino or La-Nina.

The prices for the Group’s products are not within the control of the Group but are determined by the global supply and demand situation for edible oils.

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.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

The figures have not been audited**8. Segmental information**

The chief operating decision maker has been identified as the Managing Director (“MD”). The MD reviews the Group’s internal reporting regularly, in order to assess performance and allocate resources. The Group has determined the operating segments based on these reports.

The MD considers the business from a geographic perspective. Each geographical location comprises oil palm plantations and palm oil mills. The plantations and mills in each operating segment are considered as a single integrated business unit with its own business unit managers. The reportable segments are Sabah and Sarawak.

The MD assesses the performance of the operating segments based on profit from these operations. This measure excludes expenses that are managed on a central basis and the Group’s share of results in associates. The segment assets comprise of operating assets related to the plantation operations, principally property, plant and equipment, prepaid lease payments, biological assets and inventories. The other assets in the balance sheet managed on a central basis are corporate fixed assets, receivables, deposits and prepayments, tax recoverable and cash and cash equivalents. These other assets form part of the reconciliation to the total assets in the balance sheet.

	Sabah		Sarawak		Total Group	
	30/09/11	30/09/10	30/09/11	30/09/10	30/09/11	30/09/10
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	37,846	25,645	33,783	16,915	71,629	42,560
Profit from operations	22,908	11,499	10,004	3,443	32,912	14,942
Total assets	170,710	184,048	398,005	365,650	568,715	549,698

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011**The figures have not been audited****8. Segmental information (continued)**

Reportable segments' external revenue are reconciled to consolidated total revenue as follows:

	30/09/11	30/09/10
	RM'000	RM'000
Total segment external revenue	71,629	42,560
Dividend income of non-reportable segment	48	46
Consolidated total revenue	<u>71,677</u>	<u>42,606</u>

A reconciliation of total profit from operations to total consolidated profit before taxation is provided as follows:

	30/09/11	30/09/10
	RM'000	RM'000
Profit from operations for reportable segments	32,912	14,942
Other non-reportable segments	(276)	(227)
Expenses managed on a central basis	(1,083)	(488)
Consolidated profit from operations	<u>31,553</u>	<u>14,227</u>
Share of loss after tax of associates	0	(23)
Consolidated profit before taxation	<u>31,553</u>	<u>14,204</u>

Reportable segments' assets are reconciled to consolidated total assets as follows:

	30/09/11	30/09/10
	RM'000	RM'000
Total segment assets	568,715	549,698
Other non-reportable segment	26,312	10,484
Assets managed on a central basis	206,719	153,463
Consolidated total assets	<u>801,746</u>	<u>713,645</u>

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 period 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.

13. Taxation

	Individual quarter 3 months ended 30 September		Cumulative year to date 3 months ended 30 September	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Taxation based on profit for the financial period:				
Corporate income tax	5,020	3,367	5,020	3,367
Deferred taxation	3,856	943	3,856	943
	<u>8,876</u>	<u>4,310</u>	<u>8,876</u>	<u>4,310</u>

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.

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15. Quoted securities

- a) There were no purchases or disposals of quoted securities for the current quarter and financial period to date.
- b) Total investments in quoted securities as at 30 September 2011 were as follows:

	Available-for-Sale Financial Assets RM'000
Total investments at cost	957
Total investments at market value	2,091

16. Status of Corporate Proposals

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

17. Off balance sheet financial instruments

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

18. Material litigation

There was no pending material litigation as at the date of this report.

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

For the 1Q FYE 2012, the Group's FFB production decreased by 2,636 MT to 89,721 MT as compared to the 4Q FYE 2011 of 92,357 MT. The Group achieved higher CPO sales of 22,362 MT (but with a lower average CPO price of RM3,107/MT) for the 1Q FYE 2012 as compared to 21,556 MT (with a higher average CPO price of RM3,329/MT) for the 4Q FYE 2011. As a result of these, the revenue and profit before taxation for the 1Q FYE 2012 decreased to RM71.7 million (4Q FYE 2011 : RM76.9 million) and RM31.6 million (4Q FYE 2011 : RM33.5 million), respectively.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2011

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

FFB production for 1Q FYE 2012 was 89,721 MT. The Group achieved revenue of RM71.7 million and profit before tax RM31.6 million. During 1Q FYE 2012, the Group achieved Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of RM40.0 million.

In terms of segmental results, Sabah and Sarawak operations achieved an operating profit of RM22.9 million and RM10.0 million, respectively.

During the current quarter, the Group planted an additional 377 hectares of oil palm plantation in Sarawak, bringing the total planted area in East Malaysia to 29,723 hectares, of which 21,166 hectares were matured as at 30 September 2011.

21. Commentary on the outlook of the Group

Palm oil price broke lower to below RM3,000 per metric tonne during the quarter due to a combination of factors. The contagion effect from the worsening debt crisis in Europe and the stalling US economy pulled prices lower across most assets classes including commodities like palm oil. A recovery in palm oil production and a change in duties in Indonesia with lower taxes on refined palm oil exports as compared to crude palm oil exports dampened market sentiment further. With the change in the tax structure in Indonesia, downstream companies in Malaysia will find it tougher to compete against Indonesian downstream companies as the Indonesian downstream companies will have an advantage in lower local crude palm oil price. We have a cautious outlook for palm oil price due to uncertainties in the global economy and the long term effect of the change in the tax structure in Indonesia on the Malaysian palm oil industry. However with improving yields from the Group's maturing plantations, we expect the full year's results to be satisfactory.

22. 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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23. Supplementary information disclosed pursuant to Bursa Malaysia Securities Listing Requirement

The determination of realised and unrealised profits is based on the Guidance of special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

	30/09/2011	30/06/2011
	RM'000	RM'000
Total retained earnings of the Group and its subsidiaries:		
-Realised	423,951	401,959
-Unrealised	(97,912)	(94,935)
	<u>326,039</u>	<u>307,024</u>
Total share of accumulated losses from an associate:		
-Realised	(4,041)	(4,041)
-Unrealised	0	0
	<u>321,998</u>	<u>302,983</u>
Less: Consolidation adjustments	<u>0</u>	<u>0</u>
Total group retained earnings	<u><u>321,998</u></u>	<u><u>302,983</u></u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

24. Dividends

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

BY ORDER OF THE BOARD

CHEN KEOW CHING (MAICSA 7001905)
PHANG SWEE CHEW (MAICSA 7020805)

Company Secretaries

Kuala Lumpur
2 November 2011