

**CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE PERIOD ENDED 31 JANUARY 2008**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31/01/2008	31/01/2007	31/01/2008	31/01/2007
	RM'000	RM'000	RM'000	RM'000
Revenue	7,543	18,752	22,558	42,987
Cost of sales	(5,857)	(17,404)	(17,360)	(38,217)
Gross profit	1,686	1,348	5,198	4,770
Other operating income	20,045	574	20,453	1,724
Distribution costs	(266)	(152)	(586)	(230)
Administration expenses	(2,735)	(3,403)	(6,238)	(6,465)
Other operating expenses	(210)	(642)	(1,090)	(964)
Profit/(Loss) from operations	18,520	(2,275)	17,737	(1,165)
Finance costs	(3,193)	(3,134)	(6,592)	(6,544)
Share of profit after tax and minority interest of associate	810	(196)	920	(38)
Profit/(Loss) before tax	16,137	(5,605)	12,065	(7,747)
Income tax expense	(4,144)	(56)	(1,444)	(353)
Profit/(Loss) for the period	11,993	(5,661)	10,621	(8,100)
Attributable to:				
Shareholders of the company	12,007	(5,898)	9,597	(9,445)
Minority interests	(14)	237	1,024	1,345
Profit/(Loss) for the period	11,993	(5,661)	10,621	(8,100)
Basic profit/(loss) per ordinary share (sen)	1.85	(0.91)	1.48	(1.45)
Diluted profit per ordinary share (sen)	-	-	-	-

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2007.

**CONDENSED CONSOLIDATED BALANCE SHEET
 AS AT 31 JANUARY 2008**

	(Unaudited) 31/01/2008 RM'000	(Audited) 31/07/2007 RM'000
Non-current Assets		
Property, Plant and Equipment	44,327	76,108
Investment Properties	308,664	308,582
Prepaid Lease Payments	3,951	4,026
Investment in an Associate	24,303	23,383
Other Long Term Investments	6,877	6,873
Deferred Tax Asset	1,940	1,887
Other Intangible Asset	551	399
Goodwill	-	839
	<u>390,613</u>	<u>422,097</u>
Current Assets		
Property Development Costs	88,244	87,598
Inventories	825	3,427
Trade Receivables	58,664	54,670
Other Receivables, Deposits and prepayments	3,965	10,449
Tax Recoverable	172	172
Fixed Deposit with Licensed Bank	8,352	1,422
Cash and Cash Equivalents	979	2,715
	<u>161,201</u>	<u>160,453</u>
TOTAL ASSETS	<u>551,814</u>	<u>582,550</u>
Equity		
Share Capital	325,074	325,074
Reserves	(50,513)	(55,131)
Equity attributable to shareholders of the Company	<u>274,561</u>	<u>269,943</u>
Minority Interest	14,965	31,002
Total Equity	<u>289,526</u>	<u>300,945</u>
Non-current liabilities		
Hire Purchase Liabilities	675	126
Borrowings	100,572	99,057
Deferred Taxation	-	2,713
	<u>101,247</u>	<u>101,896</u>
Current Liabilities		
Trade Payables	4,323	11,116
Amount due to an Associate	3,347	37
Other Payables and Accruals	97,145	94,861
Hire Purchase Liabilities	212	180
Short Term Borrowings	30,421	51,148
Taxation	25,593	22,367
	<u>161,041</u>	<u>179,709</u>
TOTAL EQUITY AND LIABILITIES	<u>551,814</u>	<u>582,550</u>
Net Assets per share attributable to ordinary equity holders of the Company (RM)	0.4223	0.4152

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2007.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 JANUARY 2008**

	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Accumulated Losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
Balance as at 1 August 2007	325,074	295,727	4,398	(3,581)	(351,675)	269,943	31,002	300,945
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	(16)	(975)	-	(991)	-	(991)
Realisation of reserves on disposal of subsidiaries	-	-	(2,948)	(1,040)	-	(3,988)	(17,061)	(21,049)
Net profit for the period	-	-	-	-	9,597	9,597	1,024	10,621
Balance as at 31 January 2008	325,074	295,727	1,434	(5,596)	(342,078)	274,561	14,965	289,526
Balance as at 1 August 2006	325,074	295,727	7,111	(2,905)	(318,229)	306,778	27,979	334,757
Exchange differences on translation of financial statements of foreign subsidiaries	-	-	-	(1,212)	-	(1,212)	248	(964)
Realisation of reserves on disposal of equity shares included under other long term investments	-	-	(2,274)	-	2,274	-	-	-
Net (loss)/profit for the period	-	-	-	-	(9,445)	(9,445)	1,345	(8,100)
Balance as at 31 January 2007	325,074	295,727	4,837	(4,117)	(325,400)	296,121	29,572	325,693

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 July 2007.

**CONDENSED CONSOLIDATED CASHFLOW STATEMENT
 FOR THE PERIOD ENDED 31 JANUARY 2008**

	Six Months Ended 31/01/2008 RM'000	Six Months Ended 31/01/2007 RM'000
Cash Flows from Operating Activities		
Profit/(Loss) Before Tax	12,065	(7,747)
Adjustments for:		
Non-Cash Items	1,287	1,660
Non-Operating Items	(14,341)	5,961
Operating Loss Before Working Capital Changes	(989)	(126)
Changes in Working Capital	(974)	(426)
Cash Used in Operations	(1,963)	(552)
Tax Refunded	2,357	-
Net Cash Generated from/(Used in) Operating Activities	<u>394</u>	<u>(552)</u>
Cash Flows from Investing Activities		
Equity Investments	29,953	4,199
Others	(655)	(3,874)
Net Cash Generated from Investing Activities	<u>29,298</u>	<u>325</u>
Cash Flows from Financing Activities		
Bank Borrowings	(21,381)	(6,871)
Others	(29)	(44)
Net Cash Used in Financing Activities	<u>(21,410)</u>	<u>(6,915)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	8,282	(7,142)
Effects of Exchange Rate Changes	(891)	(72)
Cash and Cash Equivalents at Beginning of Period	(1,254)	(11,575)
Effect of Exchange Rate Changes	-	29
Cash and Cash Equivalents at End of Period	<u>6,137</u>	<u>(18,760)</u>

The Cash and Cash Equivalents comprise the following balance sheet amounts:

	RM'000	RM'000
Cash and Bank Balances	979	1,496
Deposits	8,352	1,395
Bank Overdrafts	(1,763)	(20,276)
	7,568	(17,385)
Fixed Deposits Pledged to Banks	(1,431)	(1,375)
	<u>6,137</u>	<u>(18,760)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 July 2007.

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 JANUARY 2008

A. *DISCLOSURE REQUIREMENTS AS PER FRS 134*

1. **Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with requirements of FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the same accounting policies adopted in 2007 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2008 annual financial statements. Details of these changes in accounting policies are set out in Note 2.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 July 2007. These explanatory notes attached to the financial statements provided 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 year ended 31 July 2007.

2. **Changes in accounting policies**

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs, which term collectively includes the MASB's Issues Committee's Interpretations) that are effective for accounting periods beginning on or after 1 January 2006.

The FRS that will be effective in the annual financial statements for the year ending 31 July 2008 may be affected by the issue of additional interpretation(s) or other changes announced by the MASB subsequent to the date of issuance of this interim report. Therefore the policies that will be applied in the Group's financial statements for the period cannot be determined with certainty at the date of issuance of this interim financial report.

The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 August 2007:

- **FRS 117 Leases**

With the adoption of FRS 117, leasehold land is no longer classified as property, plant and equipment but classified as 'prepaid lease payment (interest in leasehold land)' and amortised over the lease term.

3. **Qualification of Audit Report**

The audit report of the financial statement of the Group for the year ended 31 July 2007 was not qualified.

4. **Seasonal or Cyclical Factors**

There are no seasonal factors affecting the Group performance.

5. Material Changes In Estimates

There were no material changes in estimates that have had a material effect in the current quarter and financial period-to-date results.

6. Debt and Equity Securities

There were no cancellation, repurchases, resale and repayments of debts and equity securities during the financial period-to-date.

7. Dividends Paid

There were no dividends paid during the financial period-to-date.

8. Segmental Reporting

	Gross Operating Revenue RM'000	Profit/ (Loss) Before Taxation RM'000
Plantations/ Palm Oil Mills	10,011	2,117
Property/ Construction	6,580	284
Manufacturing	70	(678)
Investment & Others	6,392	16,014
	<u>23,053</u>	<u>17,737</u>
Elimination	(495)	-
Financing Costs	-	(6,592)
Share of Profit of Associate	-	920
	<u>22,558</u>	<u>12,065</u>

9. Valuation of Property, Plant & Equipment

The valuation of land and building have been brought forward, without amendments from the previous annual report.

10. Material Subsequent Events

There were no material events subsequent to the end of the interim period to 24 March 2008 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) that have not been reflected in the financial statements for the interim period ended 31 January 2008.

11. Effect of Changes in the Composition of the Group

The completion of the Group's disposal of all its holding of 1,275 ordinary shares representing 51% of the issued and paid up capital in a direct subsidiary, Cross Continental Investments and all its holding of 61,000 ordinary shares representing 1.14% of the issued and paid up capital in an indirect subsidiary, PalmTech India Limited was recognized in the quarter under review in accordance with the requirements of accounting standards.

The Group's equity interest in J-Biotech EcoFirst Agro Sdn Bhd was decreased from 100% to 70% arising from the issuance of 30 new ordinary shares of RM1.00 par value to a minority shareholder.

12. Changes in Contingent Liabilities/Contingent Assets

The contingent liabilities as at financial period ended 31 January 2008 are as follows:

	RM'000
Guarantees and Contingencies Relating to:	
- Affiliated Companies	10,218
- Third Party	648
	<u>10,866</u>

B. *ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD*

1. Review of Performance

The Group achieved a revenue of RM22.6 million for the 6 month period ended 31 January 2008 as compared to RM43.0 million in the previous year corresponding period. The drop in turnover was mainly because a major portion of the construction projects were completed in the previous year whilst for the current year to date, new construction projects have not commenced yet.

Notwithstanding the lower revenue, the Group recorded a profit before tax of RM12.1 million for the same period under review, which represents a turnaround from the loss of RM7.7 million in the previous year corresponding period. The improvement is due to recognition of gain on disposal of subsidiaries amounting to RM18.1 million.

2. Variation of results against preceding quarter

The Group recorded a profit before tax of RM16.1 million for the current quarter compared to a loss of RM4.1 million in the previous quarter. The variance was largely due to the gain on disposal of subsidiaries as mentioned in Note B(1) above.

3. Current year prospects

The Group expects its new construction projects to start contributing significantly towards the end of the financial year. In the meantime, the Group's performance of the multilevel marketing, food franchise and shopping mall businesses are expected to improve in terms of revenue and returns.

4. Variance of Profit Forecast / Profit Guarantee

Not applicable.

5. Income Tax Expense

	Current Quarter Ended 31 January 2008 RM'000	Cumulative Year-To-Date 31 January 2008 RM'000
Under provision in prior years	4,144	1,497
	<u>4,144</u>	<u>1,497</u>
Deferred tax - prior year	-	(53)
	<u>4,144</u>	<u>1,444</u>

6. Unquoted Investments and Properties

There were no sales of unquoted investments and properties during the current quarter.

7. Purchase or Disposal of Quoted Investments

(a) There was no acquisition of quoted investments during the current quarter.

(b) Total investments in quoted securities as at the end of the financial period-to-date are as follows:

	RM'000
(i) At cost	73,002
(ii) At book value	30,041
(iii) At market value	23,688

8. Status of Corporate Proposals Announced

There are no corporate proposals announced but not completed as at 24 March 2008.

9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 January 2008 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long Term Borrowings</u>			
Amount repayable after twelve months	99,572	-	99,572
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<u>99,572</u>	<u>1,000</u>	<u>100,572</u>

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short Term Borrowings</u>			
Bank overdrafts	1,763	-	1,763
Revolving credits	7,917	-	7,917
Current portion of long term loans	20,741	-	20,741
	<u>30,421</u>	<u>-</u>	<u>30,421</u>
Total Group Borrowings	<u>129,993</u>	<u>1,000</u>	<u>130,993</u>

Included in the above Group borrowings are the following loans denominated in Solomon Dollars (SBD):

Secured Borrowings:

	Foreign Currency SBD'000	RM'000 (equivalent)
Short term bank borrowings	499	207

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 24 March 2008 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Changes in Material Litigation

Further to the disclosure in the previous quarter's report on material litigation, the changes in material litigation as at 24 March 2008 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are as follows:

- (i) *The Company v Individual (1st defendant) and Astounding Holdings Sdn Bhd (2nd defendant) for RM15 million*

The case is now consolidated with another suit between Pica (M) Corporation Berhad Vs Individual (1st defendant). It is pending the setting down for trial.

- (ii) *Jiddi Joned Enterprises Sdn Bhd and 3 other subsidiary companies v Yeng Chong Realty Sdn Bhd (1st defendant)/ Louis KH Wong (2nd defendant)*

The Court of Appeal has on 25 February 2008 allowed the plaintiffs' appeal against the striking out of the plaintiffs' suit by the 1st defendant. The matter is now reinstated in the High Court with the plaintiffs' application for further and better particulars against the 1st defendant (Enclosure 12) and against the 2nd defendant (Enclosure 14) fixed for hearing respectively on 14 May 2008.

- (iii) *56 purchasers of South City Condominiums v Pujian Development Sdn Bhd ("Pujian"), a subsidiary company, and seven others.*

Matter is fixed for mention on 9 June 2008.

- (iv) *24 purchasers of South City Plaza v Pujian*

Matter is fixed for mention on 9 June 2008.

- (v) *Pujian v Arab-Malaysian Assurance Berhad*

Pujian's claim has been dismissed with costs. Pujian has since filed an appeal on 30 August 2007.

- (vi) *The Government of Malaysia (Inland Revenue Board) ("IRB") v 4 Subsidiary companies, Mudek Sdn Bhd ("Mudek"), Seri Jasin Sdn Bhd ("Seri Jasin"), Berembang Sdn Bhd ("Berembang") and Jiddi Joned Sdn Bhd ("Jiddi Joned") in individual cases*

Mudek was successful in its application to set aside the judgement in default obtained earlier by IRB. The court has dismissed IRB's application to renew the summons with costs on 3 October 2007.

In respect of Seri Jasin's suit, the matter is now pending extraction of IRB's summary judgement application.

Jiddi Joned and Berembang have both filed their defences. In respect of Jiddi Joned's suit, the plaintiff has filed an application for summary judgement, however it has yet to be extracted.

The said subsidiary companies have initiated another legal proceeding against Yeng Chong Realty Bhd similar to (ii) above, for part of the said real property gains tax withheld from the purchase consideration for the disposal of the properties concerned. The defendant has again filed an application to strike out the action which was dismissed. The defendant's further appeal was also dismissed on 12 July 2007. Matter is now fixed for case management on 21 May 2008.

- (vii) *Yeng Chong Realty Bhd ("Yeng Chong") v Tenaga Nasional Bhd ("TNB"), Mudek and Berembang*

Yeng Chong has also applied for an injunction against TNB to prevent TNB from entering into the property and making compensation to Mudek and Berembang, the injunction of which was refused on 27 September 2006. Yeng Chong has since filed an appeal against the decision. Matter is now fixed for decision on 16 July 2008 in respect of our application to transfer proceeding to Kuala Lumpur.

- (viii) *IRB v Pujian*

The Government of Malaysia is claiming for tax assessment for the year 1998, 1999, 2000 in one action and for year 1999 (Tambahan) in another action, and for year 2001 in another action, and for year 2004 in another action. For the first action, Pujian succeeded in setting aside the judgement in default of appearance. IRB has since filed an appeal against the said decision. In relation to the second action, Pujian's defence was filed on 29 August 2007. In relation to the third action, Pujian succeeded in striking out the action on 27 December 2006. IRB has since filed and served a fresh suit for the same subject matter and Pujian's defence was filed on 29 August 2007. In respect of the fourth action, Pujian's defence was filed on 2 November 2006. No new developments in respect of the 1st, 2nd and 3rd action. As for the 4th action, the court has fixed this matter for hearing of the plaintiff's application for summary judgement on 12 February 2008. Matter is fixed for decision on 30 April 2008.

IRB commenced two actions against Tashima for income tax outstanding for assessment years 2000 in one action, and 2001 and 2002 in another action. In the first action, Tashima has filed its statement of defence on 10 April 2007. In respect of the second action, the court has allowed the plaintiff's summary judgement application on 12 February 2008. Tashima has since filed its appeal against the said decision.

12. Dividend

No dividend has been declared for the current financial period-to-date.

13. Earnings Per Share

The basic earnings per share have been calculated based on the consolidated net profit attributable to ordinary shareholders for the period and the weighted average number of ordinary shares in issue during the period.

Basic earnings per share

	Current Quarter Ended 31/01/08 (RM'000)	Comparative Quarter Ended 31/01/07 (RM'000)	Cumulative Year-To-Date	
			31/01/08 (RM'000)	31/01/07 (RM'000)
Earnings/(Loss)				
Net Profit/(Loss) attributable to ordinary shareholders	12,007	(5,898)	9,597	(9,445)
	('000)	('000)	('000)	('000)
Weighted average number of ordinary shares	650,148	650,148	650,148	650,148

There is no dilution in the earnings per share as the average market value of the Company's ordinary shares during the period was lower than the exercise price of the outstanding warrants 2004/2009. Accordingly, there would be no conversion of these outstanding instruments for the purposes of calculating the fully diluted earnings per share.

31 March 2008