



**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007**

	Unaudited as at End of Current Quarter 30.06.2007 RM'000	Audited as at Preceding Financial Year End 31.12.2006 RM'000 (Restated)
<u>Non-current assets</u>		
Property, plant and equipment	416,437	405,123
Plantation development expenditure	913,450	928,176
Prepaid lease payments	679,364	690,690
Investment in associated companies	110,024	112,294
Other investments	6,195	7,474
Goodwill on consolidation	87,281	88,140
Deferred tax assets	25,801	25,110
Other receivables	26,851	26,335
	<u>2,265,403</u>	<u>2,283,342</u>
<u>Current assets</u>		
Inventories	172,501	251,696
Trade and other receivables	344,999	309,450
Amount owing by related companies	14,891	13,804
Assets held for sale	23,409	23,916
Tax recoverable	23,174	12,475
Deposits placed with licensed banks	42,136	77,838
Cash and bank balances	57,608	93,181
	<u>678,718</u>	<u>782,360</u>
<u>Current liabilities</u>		
Trade and other payables	178,819	154,529
Amount owing to associated company	108,898	111,154
Amount owing to related companies	6	9
Borrowings	477,710	609,289
Retirement benefit obligations	-	2,094
Tax payable	2,213	4,621
	<u>767,646</u>	<u>881,696</u>
Net current liabilities	<u>(88,928)</u>	<u>(99,336)</u>
	<u>2,176,475</u>	<u>2,184,006</u>
Share capital	296,471	296,471
<u>Reserves</u>		
Share premium	84,171	84,171
Exchange reserves	26,541	22,505
Capital reserves	5,761	5,761
Retained profits	755,970	749,842
	<u>872,443</u>	<u>862,279</u>
Equity attributable to equity holders of the Company	1,168,914	1,158,750
Minority interests	248,079	248,987
Total equity	1,416,993	1,407,737
<u>Non-current liabilities</u>		
Borrowings	543,398	560,479
Deferred tax liabilities	210,579	210,368
Retirement benefit obligations	5,505	5,422
	<u>759,482</u>	<u>776,269</u>
	<u>2,176,475</u>	<u>2,184,006</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>3.94</u>	<u>3.91</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)



**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007
(The figures have not been audited)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2007 RM'000	Preceding Year Corresponding Quarter 30.06.2006(*) RM'000	Current Year To Date 30.06.2007 RM'000	Preceding Year To Date 30.06.2006(*) RM'000
Revenue	418,918	280,300	784,609	499,180
Other operating income	7,203	1,574	9,176	4,080
Operating expenses	(391,306)	(261,127)	(734,586)	(469,684)
Profit from operations	34,815	20,747	59,199	33,576
Finance costs	(10,206)	(9,293)	(20,830)	(16,473)
Share of results of associated company	4	9	8	9
Profit before taxation	24,613	11,463	38,377	17,112
Taxation	(34)	(5,141)	(5,437)	(8,316)
Profit for the period	24,579	6,322	32,940	8,796
Profit for the period attributable to:-				
Equity holders of the Company	23,771	7,788	32,098	13,144
Minority interests	808	(1,466)	842	(4,348)
	24,579	6,322	32,940	8,796
Earnings per share attributable to equity holders of the Company:-				
Basic (sen)	8.02	2.63	10.83	4.43
Fully diluted (sen)	8.09	2.53	10.82	4.24

(*) excluding the results of Gula Padang Terap Sdn Bhd which became a subsidiary of the Company on 15 November 2006.

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007**
(The figures have not been audited)

	←----- Attributable to Equity Holders of the Company -----→						Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable					
	Share Capital RM'000	Share Premium RM'000	Capital reserves RM'000	Exchange Reserves RM'000	Capital Reserves RM'000	Retained Profits RM'000			
At 1 January 2007	296,471	84,171	3,684	22,505	2,077	749,842	1,158,750	248,987	1,407,737
Exchange differences on translation, representing net gain not recognised in the income statement	-	-	-	(4,805)	-	-	(4,805)	(125)	(4,930)
Net gain recognised directly in equity	-	-	-	(4,805)	-	-	(4,805)	(125)	(4,930)
Profit for the period	-	-	-	-	-	32,098	32,098	842	32,940
Total recognised income and expenses for the period	-	-	-	(4,805)	-	32,098	27,293	717	28,010
Disposal of investment in subsidiaries	-	-	-	8,841	-	-	8,841	(1,625)	7,216
Dividend paid	-	-	-	-	-	(25,970)	(25,970)	-	(25,970)
At 30 June 2007	296,471	84,171	3,684	26,541	2,077	755,970	1,168,914	248,079	1,416,993
At 1 January 2006	296,471	84,171	5,965	26,847	2,077	614,815	1,030,346	46,136	1,076,482
Exchange differences on translation	-	-	-	3,654	-	-	3,654	815	4,469
Gain/(loss) on dilution of interest in subsidiaries	-	-	(2,281)	(6,778)	-	172,815	163,756	-	163,756
Net gain/(loss) recognised directly in equity	-	-	(2,281)	(3,124)	-	172,815	167,410	815	168,225
Profit for the period	-	-	-	-	-	13,144	13,144	(4,348)	8,796
Total recognised income and expenses for the period	-	-	(2,281)	(3,124)	-	185,959	180,554	(3,533)	177,021
Minority interests arising from dilution of interest in subsidiaries	-	-	-	-	-	-	-	237,602	237,602
Additional investment in subsidiaries	-	-	-	-	-	-	-	(16,091)	(16,091)
Dividend paid	-	-	-	-	-	(21,346)	(21,346)	-	(21,346)
At 30 June 2006	296,471	84,171	3,684	23,723	2,077	779,428	1,189,554	264,114	1,453,668

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2007**
(The figures have not been audited)

	Current Year To Date 30.06.2007 RM'000	Preceding Year To Date 30.06.2006(*) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	38,377	17,112
Adjustments for:		
Non-cash items	53,121	43,171
Non-operating items	19,743	14,670
Operating profit before changes in working capital	<u>111,241</u>	<u>74,953</u>
Net change in current assets	34,438	107,528
Net change in current liabilities	4,238	(4,448)
Interest, retirement benefit and tax paid	(42,075)	(33,480)
Net cash flows from operating activities	<u>107,842</u>	<u>144,553</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	17,488	(15,942)
Other investments	(47,339)	(38,066)
Net cash flows used in investing activities	<u>(29,851)</u>	<u>(54,008)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(149,422)	(34,865)
Dividends paid	-	-
Decrease in deposits pledged with licensed banks	(41)	-
Net cash flows (used in)/from financing activities	<u>(149,463)</u>	<u>(34,865)</u>
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(71,472)	55,680
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	170,181	48,488
EFFECT OF EXCHANGE RATE CHANGES	(605)	310
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>98,104</u>	<u>104,478</u>
Cash and cash equivalents at the end of the period comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	41,258	59,012
Cash and bank balances	57,608	45,558
Bank overdrafts	(762)	(92)
	<u>98,104</u>	<u>104,478</u>

(*) excluding the Gula Padang Terap Sdn Bhd which became a subsidiary of the Company on 15 November 2006.

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2006)



A. NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with FRS 134₂₀₀₄ "Interim Financial Reporting" and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2006.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted by the Group in the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS").

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendment to FRS 119	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

FRS 6 is not applicable to the Group as the Group is not involved in the exploration of mineral resources. The principal effects of adopting the FRS 117, FRS 124 and Amendment to FRS 119 are as follows:-

(a) FRS 117 : Leases

Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of FRS117 has resulted in a change in the accounting policy relating to the classification of leasehold land. Leasehold land are now classified as prepaid lease payments and amortized on a straight line basis over the lease term.



As a result of the adoption of FRS 117, comparative amounts as at 31 December 2006 have been reclassified as follows:-

	As previously stated RM'000	Reclassification RM'000	Restated RM'000
Property, plant and equipment	1,095,813	(690,690)	405,123
Prepaid lease payments	-	690,690	690,690
	<hr/>	<hr/>	<hr/>

- (b) Amendment to FRS 119 : Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

The adoption of this FRS does not have any material impact to the Group as the retirement benefit plan previously undertaken by Johore Tenggara Oil Palm Berhad Group was discontinued in April 2007.

- (c) FRS 124 : Related Party Disclosures

This FRS does not have any material impact to the Group other than additional disclosure on key management personnel remuneration and disclosure by the Company on related party transactions.

3. Audit Report of the Preceding Annual Financial Statements

The auditors' report of the preceding annual financial statements was not subject to any qualification.

4. Seasonal or Cyclical Factors

The operations of the Group are not affected by any seasonal or cyclical factors other than the plantation operation, which is affected by the usual seasonal production of fresh fruit bunches.



5. Unusual Items

The following items occurred during the current financial year to date as reflected in the financial statements:-

	RM'000
Gain on disposal of quoted securities	353
Loss on disposal of investment in subsidiaries	(6,654)
	<hr/>
	(6,301)
	<hr/>

6. Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

7. Changes in Debt and Equity Securities

There have been no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial year to date.

8. Dividends Paid

To-date, there were no dividends paid for the current financial year.

9. Segmental Reporting

Current Year To Date	Manufacturing & Trading RM'000	Plantation RM'000	Others RM'000	Total RM'000
Revenue				
External sales	509,321	275,216	72	784,609
Results				
Segment results	35,451	28,513	13,254	77,218
Unallocated income				2,471
Unallocated expenses				(20,490)
Profit from operations				59,199
Finance costs				(20,830)
Share of results of associated company				8
Profit before taxation				38,377
Taxation				(5,437)
Profit for the period				32,940



10. Valuations of Property, Plant and Equipment

The Group did not revalue its property, plant and equipment.

11. Material Subsequent Events

There were no material subsequent events for the current financial year to date.

12. Changes in the Composition of the Group

On 22 September 2006, Tradewinds (M) Berhad ("TWS") entered into 2 conditional sale and purchase agreements:-

- (a) Conditional Sale and Purchase Agreement of Shares ("CSPA Shares") for the disposal of its entire 100% equity interest in Tenaga Lestari (M) Sdn Bhd ("TLSB") to Willalpha Investments Limited for a total cash consideration of USD2,286,316; and
- (b) Conditional Sale and Purchase Agreement of Loan ("CSPA Loan") for the disposal of TWS's right, title and interest to:-
 - (i) all moneys owing and payable by P.T. Bumipermai Suryalestari ("BPSL") to TWS by virtue of the advances made by TWS ("TWS' Advances") in relation to the Loan Agreement dated 5 November 1996 between BPSL and Maybank International (L) Limited for the principal amount of USD10 million ("Bank Loan") and the Novation Agreement dated 30 June 1998 between BPSL, Maybank International (L) Limited and Malayan Banking Bhd ("Maybank") and the subrogation of TWS to the rights of Maybank as creditor in respect to TWS' Advances;
 - (ii) Pledge of Shares Agreement dated 5 September 1997 between PT Sadin Multiagro Sentosa, TWS, BPSL and P.T. Bumibangka Lestari ("BBL") as amended by an Amendment to the Pledge of Shares Agreement dated 22 August 2000 and the shares pledged by PT Sadin Multiagro Sentosa in BPSL and BBL in consideration of TWS entering into and assuming obligations under the Guarantee and Indemnity dated 5 November 1996 in relation to the Bank Loan; and



(iii) Upon execution of the Company Assignment, all moneys owing and payable by BPSL to TWS as assignee of TLSB's rights, title and interest in and to all moneys (denominated in United States Dollars) owing and payable by BPSL to TLSB by virtue of the advances made by TLSB ("TLSB's Advances") and the subrogation of TLSB to the rights of Maybank as creditor with respect to TLSB's Advances,

(collectively, the "Assigned Rights") to Labuan Agri Investment (L) Bhd for a total cash consideration of USD10,713,684.

On 22 June 2007, TWS and TLSB have entered into a Supplemental Agreement with the Shares Purchaser and the Loans Purchaser to amend and vary the CSPA Shares and CSPA Loans ("the Proposed Disposals") whereby the Purchaser have agreed to waive certain condition precedents of the Proposed Disposal. In consideration of the said waiver, the total purchase consideration of the Share Price and the Loan Price will be reduced by USD\$350,000. With the entering of the said Supplemental Agreement, the said Proposed Disposal is now completed.

With effect from 22 June 2007, TLSB and the Operating Subsidiaries ceased to be the subsidiary of the Company.

The value of assets and liabilities arising from the Proposed Disposals are as follows:

	2007 RM'000
Property, plant and equipment	743
Plantation development expenditure	13,874
Prepaid lease payment	5,357
Goodwill arising on consolidation	858
Inventories	1,130
Trade receivables	516
Other receivables	241
Cash and bank balances	17,692
Other payables	(3,647)
Provision for taxation	(1,381)
Deferred taxation	(766)
Minority interests	(1,625)
Net assets disposed	<u>32,992</u>

Exchange differences realised	8,842
Net assets attributable to equity holders of the Company	41,834
Total disposal proceeds	35,180
Loss on disposal to the Group	<u>(6,654)</u>
Cash inflow arising on disposals:	
Cash consideration	35,180
Cash and cash equivalents of subsidiaries disposed	<u>(17,692)</u>
Net cash inflow of the Group	<u>17,488</u>

13. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 June 2007 were as follows:-

	RM'000
Property, plant and equipment	180,584
Plantation development expenditure	82,261
	<u>262,845</u>

14. Contingent Liabilities and Contingent Assets

The contingent liabilities as at 30 June 2007 were as follows:-

	RM'000
Corporate guarantee for credit facilities granted to third parties under "Skim Industri Pertanian"	<u>582</u>

There were no contingent assets as at 30 June 2007.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Review of Performance

For the quarter under review, the Group achieved revenue of RM418.9 million, representing an increase of RM138.6 million from RM280.3 million recorded for the corresponding quarter last year. The Manufacturing and Trading Division contributed RM84.4 million whereas the Plantation Division contributed RM54.2 million to the increase in revenue in the current quarter as against the corresponding quarter last year.

The Group's profit before taxation increased by RM13.1 million to RM24.6 million for the quarter under review from RM11.5 million for the preceding year's corresponding quarter. The increase in profit before taxation was mainly due to the Group achieving higher average selling price of refined sugar by the Manufacturing and Trading Division and higher average selling price of oil palm products by the Plantation Division.

Over the six months period under review ended 30 June 2007, the Group recorded revenue of RM784.6 million, which represents an increase of RM285.5 million over the preceding year's period ended 30 June 2006. In line with the above, the Group's profit before taxation for the six months period ended 30 June 2007 increased by RM21.3 million to RM38.4 million from RM17.1 million achieved during the preceding year's period ended 30 June 2006.

2. Material Changes in the Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter

	Quarter Reported On RM'000	Immediate Preceding Quarter RM'000	Increase RM'000
Profit before taxation	24,613	13,764	10,849

For the current quarter under review, the Group recorded an increase of RM10.8 million in profit before taxation as compared to the immediate preceding quarter. The increase in profit before taxation was mainly due to the higher sales volume of refined sugar by the Manufacturing and Trading Division. Other factor contributing to the increase was higher production of fresh fruit bunches which is the trend in the industry whereby the production of fresh fruit bunches is higher in the second quarter as compared to the first quarter of the year. The higher prices of crude palm oil and palm kernel during the quarter under review also contributed towards the higher profitability of the Group.



3. Prospects

The Manufacturing and Trading Division is expected to maintain its level of profitability for the remaining period of the current financial year.

The financial performance of the Plantation Division is expected to be better than 2006 based on the prevailing prices of palm products and the expected increase in production in the remaining period of the current financial year.

Based on the above circumstances, the Directors expect the performance of the Group for the remaining period of the current financial year to be better than the previous financial year.

4. Variance on Forecast Profit/Shortfall in Profit Guarantee

The Company did not issue any profit guarantee.

5. Taxation

Taxation comprises:-

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax	(1,810)	5,122
Deferred tax	1,844	315
	<u>34</u>	<u>5,437</u>

The taxation charge of the Group for the current quarter and financial year to date reflects an effective tax rate which is lower than the statutory income tax rate mainly due to certain income that are not taxable for tax purposes.

6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

The Group recorded a gain of RM4.16 million on the disposal of leasehold land, arising from the compulsory acquisition of land by the authorities, during the current quarter and the financial year to date.

There was no sale of unquoted investments during the current quarter and financial year to date.



7. Quoted Securities Other Than Securities in Existing Subsidiaries and Associated Company

(a) The purchase and disposal of quoted securities are as follows:-

	Current Year Quarter RM'000	Current Year To Date RM'000
(i) Purchase consideration of quoted securities	-	-
(ii) Total sales proceeds of quoted securities	1,771	1,771
(iii) Gain on disposal of quoted securities	353	353

(b) Investments in quoted securities as at the reporting period were as follows:-

	RM'000
(i) at cost	43,266
(ii) at carrying value	6,047
(iii) at market value	27,262

8. (a) Status of Corporate Proposals

The status of corporate proposals announced but not completed as at 21 August 2007, being the latest practicable date, are as follows:

On 30 April 2007, Tradewinds Plantation Berhad ("TPB") has entered into a conditional Subscription Agreement for the proposed subscription of 100,000,000 new ordinary shares of RM1.00 each in Kongsi Meriah (M) Sdn Bhd ("KMM") at a total subscription price of RM268 million ("Proposed Subscription"). Upon completion of the Proposed Subscription, KMM would become a 99.9% subsidiary of TPB.

The Proposed Subscription is conditional upon the completion of the agreement dated 18 April 2007 between Gula Padang Terap Plantations Sdn Bhd ("GPTP") and KMM whereby GPTP has agreed to sell and transfer to KMM the leases granted by Perbadanan Kemajuan Negeri Kedah, presently held by and registered in the name of GPTP, over 54 parcels of leasehold agriculture land measuring approximately 11,411 hectares for a transfer consideration of RM268 million.



The Proposed Subscription was approved by the Foreign Investment Committee on 3 July 2007. The completion of the Proposed Subscription is pending the approval inter alia of the shareholders of TPB.

(b) Status of Utilisation of Proceeds Raised from Corporate Proposal

There was no corporate proposal involving fund raising.

9. Group Borrowings and Debt Securities

Group borrowings as at the end of the reporting period are as follows:-

	RM'000
<u>Long Term Borrowings</u>	
Secured term loans	582,243
Unsecured term loan	130,000
Less: Current portion of long term borrowings	(168,845)
	<u>543,398</u>
<u>Short Term Borrowings</u>	
Secured	
Revolving credit	162,300
Bankers' acceptance	20,000
Overdraft	6
	182,306
Unsecured	
Revolving credit	89,800
Bankers' acceptance	36,003
Overdraft	756
	126,559
Current portion of long term borrowings	168,845
	<u>477,710</u>
Total	<u>1,021,108</u>



10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 21 August 2007, being the latest practicable date.

11. Changes in Material Litigation

There was no pending material litigation as at 21 August 2007, being the latest practicable date.

12. Dividend

On the same date and in a separate announcement, the Board of Directors has declared an interim dividend of 10.0 sen per share less 27% income tax (2006: 8.0 sen) in respect of the financial year ending 31 December 2007 payable on 14 September 2007.

13. Earnings Per Share

(a) Basic earnings per share

The calculation of basic earnings per share for the current year to date is based on the profit for the period attributable to equity holders of the Company of RM32.1 million and the number of ordinary shares outstanding during the current year to date of 296,470,484.

(b) Diluted earnings per share

Currently, there are potential ordinary shares arising from RM160,000,000 nominal value 10-year 3% irredeemable convertible unsecured loan stocks ("TPB ICULS") that were issued on 28 February 2006. The profit for the period attributable to equity holders of the Company used in computing the diluted earnings per share has been adjusted as follows:-

	Current Year To Date RM'000
Profit attributable to equity holders of the Company	32,098
Effect of assumed conversion of TPB ICULS	(26)
Profit attributable to equity holders of the Company including assumed conversion of TPB ICULS	<hr/> 32,072 <hr/>



As the diluted earnings per share is derived from the assumed conversion of the subsidiary's potential ordinary shares, it does not affect the issued share capital of the Company. Thus, the number of ordinary shares used in computing the diluted earnings per share is the same as that used in computing the basic earnings per share.

BY ORDER OF THE BOARD

MOHAMAD AFFENDI BIN YUSOFF (LS007158)
SAKINAH BINTI ABDUL KADIR (MAICSA 7000087)
Company Secretaries

Kuala Lumpur
27 August 2007