

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

	Unaudited as at End of Current Quarter 30.09.2007 RM'000	Audited as at Preceding Financial Year End 31.12.2006 RM'000
<u>Non-current assets</u>		
Property, plant and equipment	432,392	405,123
Plantation development expenditure	918,262	928,176
Prepaid lease payments	676,770	690,690
Investment in associated companies	19,776	112,294
Other investments	6,039	7,474
Goodwill on consolidation	87,281	88,140
Deferred tax assets	20,165	25,110
Other receivables	26,851	26,335
	<u>2,187,536</u>	<u>2,283,342</u>
<u>Current assets</u>		
Inventories	217,491	251,696
Trade and other receivables	394,688	309,450
Amount owing by related companies	14,010	13,804
Assets held for sale	23,142	23,916
Tax recoverable	10,697	12,475
Deposits placed with licensed banks	37,929	77,838
Cash and bank balances	46,100	93,181
	<u>744,057</u>	<u>782,360</u>
<u>Current liabilities</u>		
Trade and other payables	166,906	154,529
Amount owing to associated company	19,733	111,154
Amount owing to related companies	6	9
Borrowings	526,306	609,289
Retirement benefit obligations	-	2,094
Tax payable	4,424	4,621
	<u>717,375</u>	<u>881,696</u>
Net current assets/(liabilities)	26,682	(99,336)
	<u>2,214,218</u>	<u>2,184,006</u>
Share capital	296,471	296,471
<u>Reserves</u>		
Share premium	84,171	84,171
Exchange reserves	27,123	22,505
Capital reserves	5,761	5,761
Retained profits	775,645	749,842
	<u>892,700</u>	<u>862,279</u>
Equity attributable to equity holders of the Company	1,189,171	1,158,750
Minority interests	272,267	248,987
Total equity	<u>1,461,438</u>	<u>1,407,737</u>
<u>Non-current liabilities</u>		
Borrowings	531,857	560,479
Deferred tax liabilities	215,224	210,368
Retirement benefit obligations	5,699	5,422
	<u>752,780</u>	<u>776,269</u>
	<u>2,214,218</u>	<u>2,184,006</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.01</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 SEPTEMBER 2007
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2007 RM'000	Preceding Year Corresponding Quarter 30.09.2006(*) RM'000	Current Year To Date 30.09.2007 RM'000	Preceding Year To Date 30.09.2006(*) RM'000
Revenue	451,516	301,791	1,236,125	800,971
Other operating income	1,596	2,317	10,772	6,397
Operating expenses	(343,712)	(259,506)	(1,078,298)	(729,190)
Profit from operations	109,400	44,602	168,599	78,178
Finance costs	(10,105)	(9,256)	(30,935)	(25,729)
Share of results of associated company	-	-	8	9
Profit before taxation	99,295	35,346	137,672	52,458
Taxation	(33,906)	(9,217)	(39,343)	(17,533)
Profit for the period	65,389	26,129	98,329	34,925
Profit for the period attributable to:-				
Equity holders of the Company	41,318	22,538	73,416	35,682
Minority interests	24,071	3,591	24,913	(757)
	65,389	26,129	98,329	34,925
Earnings per share attributable to equity holders of the Company:-				
Basic (sen)	13.94	7.60	24.76	12.04
Fully diluted (sen)	14.59	7.60	25.40	11.91

(*) excluding the results of Gula Padang Terap Sdn Bhd which became a subsidiary of the Company on 30 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 SEPTEMBER 2007**
(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->								
	Share Capital RM'000	Non-Distributable			Distributable		Total RM'000	Minority Interests RM'000	Total Equity 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	-	-	-	(4,223)	-	-	(4,223)	(8)	(4,231)
Net gain recognised directly in equity	-	-	-	(4,223)	-	-	(4,223)	(8)	(4,231)
Profit for the period	-	-	-	-	-	73,416	73,416	24,913	98,329
Total recognised income and expenses for the period	-	-	-	(4,223)	-	73,416	69,193	24,905	94,098
Disposal of investment in subsidiaries	-	-	-	8,841	-	-	8,841	(1,625)	7,216
Dividend paid	-	-	-	-	-	(47,613)	(47,613)	-	(47,613)
At 30 September 2007	296,471	84,171	3,684	27,123	2,077	775,645	1,189,171	272,267	1,461,438
At 1 January 2006	296,471	84,171	8,042	26,847	2,007	614,815	1,032,353	46,136	1,078,489
Exchange differences on translation	-	-	-	1,573	-	-	1,573	(59)	1,514
Gain/(loss) on dilution of interest in subsidiaries	-	-	(2,282)	(6,778)	-	172,815	163,755	-	163,755
Net gain/(loss) recognised directly in equity	-	-	(2,282)	(5,205)	-	172,815	165,328	(59)	165,269
Profit for the period	-	-	-	-	-	35,682	35,682	(757)	34,925
Total recognised income and expenses for the period	-	-	(2,282)	(5,205)	-	208,497	201,010	(816)	200,194
Minority interests arising from dilution of interest in subsidiaries	-	-	-	-	-	-	-	237,602	237,602
Additional investment in subsidiaries	-	-	-	-	-	-	-	(16,091)	(16,091)
Dividends	-	-	-	-	-	(38,423)	(38,423)	-	(38,423)
At 30 September 2006	296,471	84,171	5,760	21,642	2,007	784,889	1,194,940	266,831	1,461,771

(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 SEPTEMBER 2007**

(The figures have not been audited)

	Current Year To Date 30.09.2007 RM'000	Preceding Year To Date 30.09.2006(*) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	137,672	52,458
Adjustments for:		
Non-cash items	79,429	66,851
Non-operating items	29,523	22,292
Operating profit before changes in working capital	<u>246,624</u>	<u>141,601</u>
Net change in current assets	(54,324)	61,178
Net change in current liabilities	14,432	(66)
Interest, retirement benefit and tax paid	(62,985)	(49,083)
Net cash flows from operating activities	<u>143,747</u>	<u>153,630</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	17,488	(15,942)
Other investments	(88,401)	(64,131)
Net cash flows used in investing activities	<u>(70,913)</u>	<u>(80,073)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(111,604)	(11,377)
Dividends paid	(47,613)	(38,423)
Increase in deposits pledged with licensed banks	(41)	-
Net cash flows (used in)/from financing activities	<u>(159,258)</u>	<u>(49,800)</u>
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(86,424)	23,757
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	170,181	48,488
EFFECT OF EXCHANGE RATE CHANGES	(606)	389
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>83,151</u>	<u>72,634</u>
Cash and cash equivalents at the end of the period comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	37,051	43,306
Cash and bank balances	46,100	29,328
	<u>83,151</u>	<u>72,634</u>

(*) excluding the Gula Padang Terap Sdn Bhd which became a subsidiary of the Company on 30 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 amortised 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

- (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, which is generally higher in the second half of the year.



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	352
Loss on disposal of investment in subsidiaries	(6,654)
	<u>(6,302)</u>

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

Dividends paid during the current financial year to date are as follows:-.

	Current Year To Date RM'000	Preceding Year Corresponding Period RM'000
Ordinary shares:		
Final dividend of 12 sen per share less 27% income tax (2006: 10 sen per share less 28% income tax) proposed in previous year, paid in current year	25,971	21,346
Interim dividend for current year of 10 sen per share less 27% income tax (2006: 8 sen per share less 28% income tax)	21,642	17,077
	<u>47,613</u>	<u>38,423</u>

9. Segmental Reporting

Current Year To Date	Manufacturing & Trading RM'000	Plantation RM'000	Others RM'000	Total RM'000
Revenue				
External sales	758,316	477,700	109	1,236,125
Results				
Segment results	54,741	116,992	16,196	187,929
Unallocated income				3,313
Unallocated expenses				(22,642)
Profit from operations				168,599
Finance costs				(30,935)
Share of results of associated company				8
Profit before taxation				137,672
Taxation				(39,343)
Profit for the period				98,329



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 subsidiaries of the Company.

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

	2007 RM'000
Property, plant and equipment	19,974
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)
Net assets disposed	<u>34,617</u>



Minority interests	(1,625)
Minority interests share of losses	
absorbed by the Group	8,842
Net assets attributable to equity holders of the Company	<u>41,834</u>
Total disposal proceeds	<u>35,180</u>
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 September 2007 were as follows:-

	RM'000
Property, plant and equipment	106,160
Plantation development expenditure	55,587
	<u>161,747</u>

14. Contingent Liabilities and Contingent Assets

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

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

There were no contingent assets as at 30 September 2007.



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

1. Review of Performance

For the current quarter and year to date under review, the Group achieved revenue of RM451.5 million and RM1.236 billion respectively, representing an increase of RM149.7 million and RM435.1 million from RM301.8 million and RM800.9 million respectively as recorded in the corresponding respective periods last year. The increase in revenue during the quarter and year to date under review was mainly due to higher sales of refined sugar by the Manufacturing and Trading Division due to the contribution of revenue by Gula Padang Terap Sdn Bhd (“GPT”), which was acquired on 30 November 2006. In addition, the increase in revenue was also attributed by the increase in CPO and PK selling prices that was contributed by the Plantation Division.

The Group’s profit before taxation increased by RM64 million to RM99.3 million and by RM85 million to RM137.7 million for the current quarter and year to date under review respectively, from RM35.3 million and RM52.4 million as recorded in the preceding year’s corresponding quarter and year to date. The increase in profit before taxation was mainly due to profit contributed by the Manufacturing and Trading Division via GPT and the higher average selling prices of oil palm products by the Plantation Division as mentioned above.

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	99,295	24,613	74,682

For the current quarter under review, the Group recorded an increase of RM74.682 million in profit before taxation as compared to the immediate preceding quarter. The increase in profit before taxation was mainly due to the additional profits contributed by the Manufacturing and Trading Division via GPT and the higher selling prices of crude palm oil and palm kernel during the quarter under review.



3. Prospects

The financial performance of the Plantation Division is expected to be better than 2006 based on the prevailing prices of palm products.

The Manufacturing and Trading Division is expected to maintain its profitability for 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

Not applicable.

5. Taxation

Taxation comprises:-

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax	23,521	28,643
Deferred tax	10,280	10,595
Real property gain tax	105	105
	<u>33,906</u>	<u>39,343</u>

The taxation charge of the Group for the current quarter and financial year to date reflects an effective tax rate which is higher than the statutory income tax rate mainly due to certain expenses that are not deductible for tax purposes and tax losses of certain subsidiaries which are not available for group relief, as well as deferred and real property gain taxes which were included.

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

The Group recorded a gain of RM4.2 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
(iii) Gain on disposal of quoted securities	-	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	5,543
(iii) at market value	9,909

8. (a) Status of Corporate Proposals

The status of corporate proposals announced but not completed as at 28 August 2007, being the latest practicable date, are as follows:

On 30 April 2007, 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 of the shareholders of the Company.

(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	568,927
Unsecured term loan	130,000
Less: Current portion of long term borrowings	(167,070)
	<u>531,857</u>
<u>Short Term Borrowings</u>	
Secured	
Revolving credit	168,300
Bankers' acceptance	20,000
Overdraft	28
	188,300
Unsecured	
Revolving credit	75,000
Bankers' acceptance	95,936
Overdraft	-
	170,936
Current portion of long term borrowings	167,070
	<u>526,306</u>
 Total	 <u>1,058,163</u>



10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 28 November 2007, being the latest practicable date.

11. Changes in Material Litigation

There was no pending material litigation as at 28 November 2007, being the latest practicable date.

12. Dividend

The Board of Directors declared an interim dividend of 10.0 sen per share less 27% income tax (2006: 8.0 sen) in respect of the current financial year which was paid on 16 July 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 RM73.416 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	73,416
Effect of assumed conversion of TPB ICULS	1,897
Profit attributable to equity holders of the Company including assumed conversion of TPB ICULS	75,313



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 November 2007