

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Unaudited as at Financial Year End 31.12.2007 RM'000	Audited as at Preceding Financial Year End 31.12.2006 RM'000
<u>Non-current assets</u>		
Property, plant and equipment	465,858	405,123
Plantation development expenditure	920,873	928,176
Prepaid lease payments	673,101	690,690
Investment in associated companies	19,791	112,294
Other investments	5,926	7,474
Goodwill on consolidation	87,281	88,140
Deferred tax assets	15,556	25,110
Other receivables	-	26,335
	<u>2,188,386</u>	<u>2,283,342</u>
<u>Current assets</u>		
Inventories	215,216	251,696
Trade and other receivables	410,256	309,450
Amount owing by related companies	13,510	13,804
Amount owing by associated companies	302	-
Assets held for sale	804	23,916
Tax recoverable	16,090	12,475
Deposits placed with licensed banks	76,361	77,838
Cash and bank balances	65,348	93,181
	<u>797,887</u>	<u>782,360</u>
<u>Current liabilities</u>		
Trade and other payables	158,401	154,529
Amount owing to related companies	19,747	111,154
Amount owing to associated company	41	9
Borrowings	428,808	609,289
Retirement benefit obligations	283	2,094
Tax payable	2,388	4,621
	<u>609,668</u>	<u>881,696</u>
Net current assets/(liabilities)	<u>188,219</u>	<u>(99,336)</u>
	<u>2,376,605</u>	<u>2,184,006</u>
Share capital	296,471	296,471
<u>Reserves</u>		
Share premium	84,171	84,171
Exchange reserves	27,636	22,505
Capital reserves	5,761	5,761
Retained profits	849,631	749,842
	<u>967,199</u>	<u>862,279</u>
Equity attributable to equity holders of the Company	1,263,670	1,158,750
Minority interests	304,192	248,987
Total equity	<u>1,567,862</u>	<u>1,407,737</u>
<u>Non-current liabilities</u>		
Borrowings	589,298	560,479
Deferred tax liabilities	214,037	210,368
Retirement benefit obligations	5,408	5,422
	<u>808,743</u>	<u>776,269</u>
	<u>2,376,605</u>	<u>2,184,006</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.26</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 YEAR ENDED 31 DECEMBER 2007**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2007 RM'000	Preceding Year Corresponding Quarter 31.12.2006(*) RM'000	Current Year To Date 31.12.2007 RM'000	Preceding Year To Date 31.12.2006(*) RM'000
Revenue	454,365	350,668	1,690,490	1,151,154
Other operating income	13,750	3,326	24,522	9,974
Operating expenses	(340,445)	(326,792)	(1,418,743)	(1,056,881)
Profit from operations	127,670	27,202	296,269	104,247
Finance costs	(12,362)	(13,104)	(43,297)	(38,833)
Share of results of associated company	-	15	8	24
Profit before taxation	115,308	14,113	252,980	65,438
Taxation	(9,403)	1,536	(48,746)	(15,828)
Profit for the period	105,905	15,649	204,234	49,610
Profit for the period attributable to:-				
Equity holders of the Company	73,985	11,733	147,401	46,641
Minority interests	31,920	3,916	56,833	2,969
	105,905	15,649	204,234	49,610
Earnings per share attributable to equity holders of the Company:-				
Basic (sen)	24.96	3.96	49.72	15.73
Fully diluted (sen)	25.92	3.96	51.32	15.71

(*) Comprise one month 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 YEAR ENDED 31 DECEMBER 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	-	-	-	(3,710)	-	-	(3,710)	(3)	(3,713)
Net gain recognised directly in equity	-	-	-	(3,710)	-	-	(3,710)	(3)	(3,713)
Profit for the period	-	-	-	-	-	147,401	147,401	56,833	204,234
Total recognised income and expenses for the period	-	-	-	(3,710)	-	147,401	143,691	56,830	200,521
Disposal of investment in subsidiaries	-	-	-	8,841	-	-	8,841	(1,625)	7,216
Dividend paid	-	-	-	-	-	(47,612)	(47,612)	-	(47,612)
At 31 December 2007	296,471	84,171	3,684	27,636	2,077	849,631	1,263,670	304,192	1,567,862
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	-	-	-	2,436	-	-	2,436	(751)	1,685
Gain/(loss) on dilution of interest in subsidiaries	-	-	(2,281)	(6,778)	-	126,809	117,750	-	117,750
Net gain/(loss) recognised directly in equity	-	-	(2,281)	(4,342)	-	126,809	120,186	(751)	119,435
Profit for the period	-	-	-	-	-	46,641	46,641	2,969	49,610
Total recognised income and expenses for the period	-	-	(2,281)	(4,342)	-	173,450	166,827	2,218	169,045
Minority interests arising from dilution of interest in subsidiaries	-	-	-	-	-	-	-	216,278	216,278
Additional investment in subsidiaries	-	-	-	-	-	-	-	(15,645)	(15,645)
Dividends	-	-	-	-	-	(38,423)	(38,423)	-	(38,423)
At 31 December 2006	296,471	84,171	3,684	22,505	2,077	749,842	1,158,750	248,987	1,407,737

(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 YEAR ENDED 31 DECEMBER 2007**
(The figures have not been audited)

	Current Year To Date 31.12.2007 RM'000	Preceding Year To Date 31.12.2006(*) RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	252,980	65,238
Adjustments for:		
Non-cash items	106,565	92,970
Non-operating items	18,142	42,348
Operating profit before changes in working capital	<u>377,687</u>	<u>200,556</u>
Net change in current assets	(18,828)	53,706
Net change in current liabilities	5,925	26,628
Interest, retirement benefit and tax paid	(77,801)	(73,309)
Net cash flows from operating activities	<u>286,983</u>	<u>207,581</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	17,488	(88,932)
Other investments	(133,899)	(73,228)
Net cash flows used in investing activities	<u>(116,411)</u>	<u>(162,160)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(151,662)	115,273
Dividends paid	(47,612)	(38,423)
Increase in deposits pledged with licensed banks	(41)	182
Net cash flows (used in)/from financing activities	<u>(199,315)</u>	<u>77,032</u>
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(28,743)	122,453
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	170,181	47,468
EFFECT OF EXCHANGE RATE CHANGES	(606)	260
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>140,832</u>	<u>170,181</u>
Cash and cash equivalents at the end of the financial year comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	75,484	77,000
Cash and bank balances	65,348	93,181
	<u>140,832</u>	<u>170,181</u>

(*) Comprising one month results of 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 financial 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
	<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 fluctuating commodity prices and 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	352
Loss on disposal of investment in subsidiaries	(6,352)
	<hr/>
	(6,000)
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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 has been no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial year other than the Proposed Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase, up to RM400 million Nominal Value Islamic Debt Securities by Tradewinds Plantation Capital Sdn Bhd ("TPCSB"), a wholly-owned subsidiary of Tradewinds Plantation Berhad and a special purpose company set up to facilitate the issuance of the Proposed Islamic Debt Securities.

The Securities Commission had via their letter dated 4 December 2007 approved the issuance of the Proposed Islamic Debt Securities comprising the following:-

- (a) RM210 million Sukuk Ijarah; and
- (b) Up to RM190 million Murabahah Commercial Papers/Medium Term Notes Programme ("Murabahah CP/MTN").

The proceeds raised from the issuance of the Sukuk Ijarah shall be utilised for the following purposes:-

- (a) To refinance the bank borrowings of certain subsidiaries;
- (b) To deposit one return payment of Sukuk Ijarah into the sukuk reserve account; and
- (c) To part-finance the development of the Group's plantations and its working capital requirement.



The proceeds raised from the issuance of Murabahah CP/MTN shall be used for the following purposes:-

- (a) To part-finance the development of the Group's plantations and its working capital requirement; and
- (b) To part-finance the bridging loan of RM241.2 million or to part-finance the subscription of 100,000,000 new ordinary shares of RM1 each in Kongsi Meriah (M) Sdn Bhd at a total subscription price of RM268.0 million.

During the current quarter, TPCSB raised RM210 million from the issuance of Sukuk Ijarah.

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)	21,641	17,077
	47,612	38,423

9. Segmental Reporting

Current Year To Date	Manufacturing & Trading RM'000	Plantation RM'000	Others RM'000	Total RM'000
Revenue				
External sales	961,609	728,181	700	1,690,490
Results				
Segment results	77,478	215,278	22,050	314,806
Unallocated income				14,807
Unallocated expenses				(33,344)
Profit from operations				296,269
Finance costs				(43,297)
Share of results of associated company				8
Profit before taxation				252,980
Taxation				(48,746)
Profit for the period				204,234



10. Valuations of Property, Plant and Equipment

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

11. Material Subsequent Events

On 31 January 2008, Tradewinds Plantation Berhad had, through its wholly-owned subsidiary, Amalan Penaga (M) Sdn Bhd, completed the acquisition of 70% equity interest in Usaha Wawasan Sdn Bhd (“UWSB”) for a cash consideration of RM15,882,428.

UWSB is intended to be used as a joint-venture company to develop 2,640 hectares of land in Sarawak into an oil palm plantation.

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	19,974
Goodwill arising on consolidation	858
Inventories	1,130
Trade receivables	516
Other receivables	241
Cash and bank balances	17,692
Other payables	(3,949)
Provision for taxation	(1,381)
Deferred taxation	(766)
Net assets disposed	<u>34,315</u>



Minority interests	(1,625)
Minority interests shared of losses absorbed by the Group	8,842
Net assets attributable to equity holders of the Company	41,532
Total disposal proceeds	35,180
Loss on disposal to the Group	(6,352)
Cash inflow arising on disposals:	
Cash consideration	35,180
Cash and cash equivalents of subsidiaries disposed	(17,692)
Net cash inflow of the Group	17,488

In addition, during the current financial year, Tradewinds Plantation Berhad acquired the entire shareholding of Tradewinds Plantation Capital Sdn Bhd ("TPCSB") for a cash consideration of RM2 on 23 October 2007.

TPCSB is a special purpose company set up to facilitate the issuance of the Islamic Debt Securities as mentioned in Note 7.

13. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 December 2007 are as follows:-

	RM'000
Property, plant and equipment	137,512
Plantation development expenditure	30,209
Acquisition of subsidiary companies	255,484
	<u>423,205</u>



14. Contingent Liabilities and Contingent Assets

The contingent liabilities as at 31 December 2007 are as follows:-

	RM'000
Corporate guarantee for credit facilities granted to third parties under "Skim Industri Pertanian"	<u>396</u>

There are no contingent assets as at 31 December 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 RM454.3 million and RM1.690 billion respectively, representing an increase of RM103.6 million and RM538 million from RM350.7 million and RM1.152 billion respectively as recorded in the corresponding period last year. The increase in revenue during the quarter under review was mainly due to higher sales of refined sugar by the Manufacturing and Trading Division arising from 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 rise in CPO and PK selling prices globally that was contributed by the Plantation Division.

The Group's profit before taxation increased by RM101.2 million to RM115.3 million and by RM186.4 million to RM252.9 million for the current quarter and year to date under review respectively, from RM14.1 million and RM66.5 million as recorded in the preceding year's corresponding quarter. The increase in profit before taxation was mainly due to profit contributed by the Manufacturing and Trading Division arising from GPT and the higher average selling price of oil palm products by the Plantation Division as mentioned above.

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

	Quarter Reported On RM'000	Immediate Preceding Quarter RM'000	Increase RM'000
Profit before taxation	115,308	99,295	16,013

During the current quarter under review, the Group recorded an increase of RM16.013 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 Plantation Division from 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 in 2008 is expected to be better than 2007 based on the prevailing prices of palm products and the expected increase in production.

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

Based on the above circumstances, the Directors expect the performance of the Group for the financial year ending 31 December 2008 to be better than 2007.

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	13,856	42,499
Deferred tax	(4,453)	6,142
Real property gain tax	0	105
	<u>9,403</u>	<u>48,746</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 the reduction in effective income tax rate on deferred taxation and recognition of deferred tax assets in a subsidiary company.

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

The Group recorded a gain of RM4.9 million on the disposal of leasehold land, arising from the compulsory acquisition of land by the authorities, during 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 were 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	-	352

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

	RM'000
(i) at cost	37,909
(ii) at carrying value	5,915
(iii) at market value	4,528

8. (a) Status of Corporate Proposals

The status of corporate proposals announced but not completed as at 18 February 2008, being the latest practicable date, are as follows:-

(a) The merger exercise between the Group and Tradewinds Plantation Berhad (TPB) Group was completed on 28 February 2006. The approval of the merger exercise by the Securities Commission ("SC") was subject to compliance of certain conditions imposed on the landed properties of the Group. The SC had, vide its letter dated 11 January 2008, approved the Company's application for extension of time to comply with the following outstanding conditions:-

No.	Property	Beneficial owner	Condition and extension of time	Status of compliance
(i)	PTD Nos. 27725 and 27726, Mukim of Kluang, District of Kluang, Johor (694 ha of oil palm plantation known as Ladang Sembrong Kiri)	Tanah Semai Sdn Bhd	The company is to obtain the approval for the change of express conditions, from mixed cultivation to those suitable for the current use of the land, which is currently planted with oil palm.	PTD No. 27726 – Complied. The approval of the Pejabat Pentadbir Tanah Daerah Kluang was obtained vide Borang 7G Kanun Tanah Negara dated 16 November 2007. PTD No. 27725 – Complied.
(ii)	Lot No. 821, Mukim of Layang-Layang and Lot Nos. 2475, 2589, 2725 and 3293, Mukim of Sedenak, all within the District of Johor Bahru, Johor (1,189 ha of oil palm plantation known as Ladang Air Manis)	Teon Choon Realty Company Sdn Bhd	The company is to obtain the approval for the change of express conditions, from rubber cultivation to those suitable for the current use of the land, which is currently planted with oil palm. The extension of time for compliance is up to 31 December 2008.	Lot Nos. 2725, 2475 and 2589 – Complied. Lot Nos. 821 and 3293 – Complied. The approvals of the Pejabat Pentadbir Tanah Daerah Kulajaya were obtained vide Borang 7G Kanun Tanah Negara dated 6 December 2007.

No.	Property	Beneficial owner	Condition and extension of time	Status of compliance
(iii)	PT Nos. 856, 857 and 803, Mukim of Hulu Jabur, District of Kemaman, Terengganu (394.18 ha of oil palm plantation known as Ladang Bukit Sah)	Uni-Agro Plantations (Terengganu) Sdn Bhd ("Uni-Agro")	The company is to obtain the approval for the change of express conditions, from "Ternakan Air/Tanaman Buah-buahan", to those suitable for the current use of the land, which is currently planted with oil palm. The extension of time for compliance is up to 31 December 2008.	PT Nos. 856 and 857 – Complied. PT No. 803 – Application for the change of express conditions for PT No. 803 was submitted to the Pejabat Pengarah Tanah dan Galian Terengganu ("PPTGT") on 24 October 2004. The PPTGT had on 30 June 2005 informed Uni-Agro that its application for the change of express conditions had been postponed until the proposed land acquisition for the East Coast Expressway by the State Government of Terengganu which involves, amongst others, a part of the land held under PT No. 803 is completed. Uni-Agro had received Borang E, Akta Pengambilan Tanah, 1960 (Seksyen 10) dated 2 September 2007 for the compulsory acquisition of 27.4359 ha out of PT No. 857 and 68.3940 ha out of PT No. 803. Pursuant thereto, Uni-Agro had on 18 September 2007 written to PPTGT on the status of the application for the change of express conditions and is still awaiting their response thereto.

- (b) On 30 April 2007, TPB 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 the Company.

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 completion of the Proposed Subscription is pending the approval of the shareholders of the Company.

- (c) The Company had on 9 October 2007 received a Notice of Mandatory General Offer from Aseambankers Malaysia Berhad (“Aseambankers”) and Newfields Advisors Sdn Bhd on behalf of Perspective Lane (M) Sdn Bhd (“PL”) to undertake a mandatory general offer (“TWS Offer”) to acquire all the remaining ordinary shares of RM1.00 each of the Company (“TWS Shares”) not held by PL and parties acting in concert with PL (“PAC”) for a cash consideration of RM3.80 per TWS Share.

Given that the mandatory obligation of PL and PAC is pursuant to Section 6 of the Malaysian Code of Takeovers and Mergers, the Board will not be seeking any alternative person to make a take-over offer for the TWS Shares and had appointed AMInvestment Bank Berhad (“AM”) as the independent adviser to advise the shareholders of the Company in relation to the TWS Offer.

On 30 October 2007, the Company had received a letter from Aseambankers, on behalf of PL, notifying TWS that PL had on 12 October 2007 sought an approval from the Securities Commission (“SC”) for an extension of time to dispatch the offer document in relation to the TWS Offer to the respective shareholders of TWS (“EOT Application”).

The offer document in relation to the TWS Offer was despatched to the holders of TWS Offer Shares on 31 December 2007. Subsequently, on 9 January 2008, the Independent Advice Circular in relation to the TWS Offer was despatched to the holders of TWS Offer Shares.

On 21 February 2008, the Company received a Notice of Person Ceasing To Be A Substantial Shareholder (Form 29C of the Companies Act, 1965) dated 21 February 2008, from Tradewinds Corporation Berhad (“TCB”), giving notice of the disposal (“Disposal”) of the Company’s shares by TCB to successful applicants pursuant to the Non-Renounceable Offer for Sale by TCB and its nominees of 157,194,980 ordinary shares of RM1.00 each in the Company held by TCB and its nominees to TCB shareholders on a rights basis of 142 Company shares for every 1,000 TCB shares at the offer price of RM3.80 per Company share. The date of cessation is with effect from 21 February 2008.

As a result of the said Disposal, TCB ceased to be the controlling shareholders of the Company with effect from the aforementioned cessation date.

(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	480,479
Unsecured term loan	65,000
Sukuk Ijarah	210,000
Less: Current portion of long term borrowings	(166,181)
	<u>589,298</u>
<u>Short Term Borrowings</u>	
Secured	
Revolving credit	14,700
Bankers' acceptance	-
	14,700
Unsecured	
Revolving credit	143,500
Bankers' acceptance	104,427
Overdraft	-
	247,927
Current portion of long term borrowings	166,181
	<u>428,808</u>
Total	<u>1,018,097</u>

10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 27 February 2008, being the latest practicable date.



11. Changes in Material Litigation

There was no pending material litigation as at 27 February 2008, 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 financial year attributable to equity holders of the Company of RM147.401 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 comprising 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	147,401
Effect of assumed conversion of TPB ICULS	4,750
Profit attributable to equity holders of the Company including assumed conversion of TPB ICULS	152,151

As the diluted earnings per share is derived from the assumed conversion of the TPB ICULS, 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.



Tradewinds
(M) Berhad (19123-K)

BY ORDER OF THE BOARD

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

Kuala Lumpur
27 February 2008