

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2008**

	Unaudited as at end of Current Quarter 30.6.2008 RM'000	Audited as at Preceding Financial Year End 31.12.2007 RM'000
<u>Non-current assets</u>		
Property, plant and equipment	503,617	466,193
Plantation development expenditure	930,998	920,371
Prepaid lease payments	967,383	673,102
Investment in associated companies	20,697	19,791
Other investments	5,675	5,926
Goodwill on consolidation	91,140	87,281
Deferred tax assets	11,505	15,378
	<u>2,531,015</u>	<u>2,188,042</u>
<u>Current assets</u>		
Inventories	215,935	215,219
Trade and other receivables	392,496	411,938
Amount owing by related companies	2,607	12,898
Amount owing by associated companies	595	-
Assets held for sale	804	804
Tax recoverable	11,951	11,217
Deposits placed with licensed banks	54,982	76,362
Cash and bank balances	20,004	65,580
	<u>699,374</u>	<u>794,018</u>
<u>Current liabilities</u>		
Trade and other payables	213,981	158,978
Amount owing to related companies	1,376	4
Amount owing to associated company	20,652	19,445
Borrowings	526,137	428,808
Retirement benefit obligations	-	283
Tax payable	11,939	2,986
	<u>774,085</u>	<u>610,504</u>
Net current assets/(liabilities)	<u>(74,711)</u>	<u>183,514</u>
	<u>2,456,304</u>	<u>2,371,556</u>
Share capital	296,471	296,471
<u>Reserves</u>		
Share premium	84,171	84,171
Exchange reserves	28,951	27,639
Capital reserves	5,761	5,761
Retained profits	902,120	849,878
	<u>1,021,003</u>	<u>967,449</u>
Equity attributable to equity holders of the Company	1,317,474	1,263,920
Minority interests	341,914	304,376
Total equity	<u>1,659,388</u>	<u>1,568,296</u>
<u>Non-current liabilities</u>		
Borrowings	562,792	589,298
Deferred tax liabilities	228,161	208,554
Retirement benefit obligations	5,963	5,408
	<u>796,916</u>	<u>803,260</u>
	<u>2,456,304</u>	<u>2,371,556</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.44</u>	<u>4.26</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)



**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2008 RM'000	Preceding Year Corresponding Quarter 30.6.2007 RM'000	Current Year To Date 30.6.2008 RM'000	Preceding Year To Date 30.6.2007 RM'000
Revenue	435,944	418,918	870,972	784,609
Other operating income	2,617	7,203	5,378	9,176
Operating expenses	(340,365)	(391,306)	(685,773)	(734,586)
Profit from operations	98,196	34,815	190,577	59,199
Finance costs	(12,064)	(10,206)	(22,655)	(20,830)
Share of results of associated company	-	4	-	8
Profit before taxation	86,132	24,613	167,922	38,377
Taxation	(23,080)	(34)	(47,670)	(5,437)
Profit for the period	63,052	24,579	120,252	32,940
Profit for the period attributable to:-				
Equity holders of the Company	42,947	23,771	80,762	32,098
Minority interests	20,105	808	39,490	842
	63,052	24,579	120,252	32,940
Earnings per share attributable to equity holders of the Company:-				
Basic (sen)	14.49	8.02	27.24	10.83
Fully diluted (sen)	*	*	*	10.82

* Amount not presented due to 'anti-dilutive'

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008**

(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 2008	296,471	84,171	3,684	27,639	2,077	849,878	1,263,920	304,376	1,568,296
Exchange differences on translation, representing net gain not recognised in the income statement	-	-	-	1,312	-	-	1,312	-	1,312
Net gain recognised directly in equity	-	-	-	1,312	-	-	1,312	-	1,312
Profit for the period	-	-	-	-	-	80,762	80,762	39,490	120,252
Total recognised income and expenses for the period	-	-	-	-	-	80,762	82,074	39,490	121,564
Acquisition of subsidiary Company	-	-	-	-	-	-	-	5,153	5,153
Dividend	-	-	-	-	-	(28,520)	(28,520)	(7,105)	(35,625)
At 30 June 2008	296,471	84,171	3,684	28,951	2,077	902,120	1,317,474	341,914	1,659,388
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	-	-	-	(4,805)	-	-	(4,805)	(125)	(4,930)
Gain/(loss) on dilution of interest in subsidiaries	-	-	-	-	-	-	-	-	-
Net gain/(loss) 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	-	-	-	-	-	(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

(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 2007)



CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008
(The figures have not been audited)

	Current Year To Date 30.6.2008 RM'000	Preceding Year To Date 30.6.2007 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	167,922	38,377
Adjustments for:		
Non-cash items	52,935	53,121
Non-operating items	17,583	19,743
Operating profit before changes in working capital	238,440	111,241
Net change in current assets	(11,057)	34,438
Net change in current liabilities	21,385	4,238
Interest, retirement benefit and tax paid	(44,858)	(42,075)
Net cash flows from operating activities	<u>203,910</u>	<u>107,842</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	(255,472)	17,488
Other investments	(86,216)	(47,339)
Net cash flows used in investing activities	<u>(341,688)</u>	<u>(29,851)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	70,823	(149,422)
Increase in deposits pledged with licensed banks	(819)	(41)
Net cash flows (used in)/from financing activities	<u>70,004</u>	<u>(149,463)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(67,774)	(71,472)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	141,306	170,181
EFFECT OF EXCHANGE RATE CHANGES	-	(605)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>73,532</u>	<u>98,104</u>
Cash and cash equivalents at the end of the financial year comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	53,528	41,258
Cash and bank balances	20,004	57,608
Bank overdrafts	(762)	(762)
	<u>73,532</u>	<u>98,104</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2007)



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 134 "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 2007.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted by the Group in the audited financial statements for the year ended 31 December 2007 except for the adoption of the following revised Financial Reporting Standards ("FRS"):-

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The adoption of FRS 107, 112, 118, Amendment to FRS 121, FRS 134 and FRS 137 does not have any significant financial impact to the Group. FRS 111 and FRS 120 are not applicable to the Group's operations.



3. 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.

4. Unusual Items

There was no unusual item for the current quarter and financial year to date.

5. 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 and financial year to date.

6. Changes in Debt and Equity Securities

There has been no issuance, repurchase and repayment of debt and equity securities during the current financial year to date other than the RM190 million raised from the issuance of Murabahah Commercial Papers/Medium Term Notes by TPB 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.

7. Dividends Paid

There was no dividend paid during the current financial year to date.

8. Segmental Reporting

Current Year To Date	Manufacturing & Trading RM'000	Plantation RM'000	Others RM'000	Total RM'000
Revenue				
External sales	436,680	434,192	100	870,972
Results				
Segment results	31,437	161,514	5,833	198,784
Unallocated income				1,828
Unallocated expenses				(10,035)
Profit from operations				190,577
Finance costs				(22,655)
Profit before taxation				167,922
Taxation				(47,670)
Profit for the period				120,252



9. Material Subsequent Events

On 29 April 2008, Tradewinds Plantation Berhad (“TPB”) had entered into a conditional Share Sale Agreement with CB Industrial Product Holding Berhad (“CBIP”) to acquire 50% equity interest in Pride Palm Oil Mill Sdn Bhd (“PPOM”) comprising 50,000 ordinary shares of RM1 each at a cash consideration of RM50,000 (“Proposed PPOM Acquisition”). The paid-up capital of PPOM will eventually be raised to RM20 million, which will be subscribed equally by CBIP and TPB.

TPB and CBIP have agreed to utilise PPOM as the 50:50 joint venture vehicle to acquire Solar Green Sdn Bhd (“SGSB”) and to take over SGSB’s oil palm cultivation and palm oil production operations (“Proposed SGSB Acquisition”). With regard to the Proposed SGSB Acquisition, PPOM has on 17 March 2008, entered into a conditional Share Sale Agreement with Tradewinds Resources Sdn Bhd to acquire the entire interest in SGSB comprising 16,250,004 ordinary shares of RM1 each for a cash consideration of RM10. The Proposed SGSB Acquisition and the Proposed PPOM Acquisition were completed on 1 August 2008.

10. Changes in the Composition of the Group

There was no change in the composition of the Group during the current financial year other than the following:-

- (a) On 30 April 2007, Tradewinds Plantation Berhad (“TPB”) entered into a conditional Subscription Agreement for the proposed subscription of 100,000,000 new ordinary shares of RM1.00 each in Kongsu Meriah (M) Sdn Bhd (“KMM”) at a total subscription price of RM268 million. The proposed subscription was completed on 18 March 2008 and thereafter KMM became a 99.9% subsidiary of TPB.

The subscription does not have a material effect on the results of the Group for the current financial year to date.

The details of net assets acquired are as follows:-

	Acquiree’s carrying amount RM’000	Fair value RM’000
Prepaid lease payments for land	277,344	277,344
Other receivable	6	6
Bank balances	179	179
Other payables	(9,529)	(9,529)
Total net assets/Total cost of acquisition	<u>268,000</u>	<u>268,000</u>

- (b) On 7 December 2007, Amalan Penaga (M) Sdn Bhd, a wholly-owned subsidiary of the TPB, entered into an agreement to acquire 70% equity interest in Usaha Wawasan Sdn. Bhd. (“UWSB”) comprising 700,000 ordinary shares of RM1 each for a cash consideration of RM15,882,428. The acquisition was completed on 31 January 2008.

The acquisition does not have a material effect on the results of the Group for the current financial year to date.

The details of net assets acquired are as follows:-

	Acquiree's carrying amount RM'000	Fair value RM'000
Prepaid lease payments for land	22,593	22,593
Other payables	(38)	(38)
Deferred tax liabilities	<u>(5,379)</u>	<u>(5,379)</u>
Total net assets	<u>17,176</u>	17,176
Less: Minority interest		<u>(5,153)</u>
Group's share of net assets		12,023
Goodwill on consolidation		<u>3,859</u>
Total cost of acquisition		<u>15,882</u>



11. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 June 2008 are as follows:-

	RM'000
Property, plant and equipment	
- Approved and contracted for	102,846
- Approved and not contracted for	208,209
Investment in joint venture company	
- Approved and contracted for	10,000
	<hr/>
	321,055
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12. Contingent Liabilities and Contingent Assets

The contingent liabilities as at 30 June 2008 are as follows:-

	RM'000
Corporate guarantee for credit facilities granted to third parties under "Skim Industri Pertanian"	
	215
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There are no contingent asset as at 30 June 2008.



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

1. Review of Performance

For the current quarter under review, the Group achieved revenue of RM435.9 million representing an increase of RM17.0 million as recorded in the corresponding period last year. The increase in revenue during the quarter under review was mainly due to the higher CPO and PK selling prices that was achieved by the Plantation Division.

The Group's profit before taxation increased by RM61.5 million to RM86.1 million for the current quarter as compared to RM24.6 million as recorded in the preceding year's corresponding quarter.

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	86,132	81,790	4,342

During the current quarter under review, the Group recorded an increase of RM4.3 million in profit before taxation as compared to the immediate preceding quarter. The slight increase in profit before taxation was mainly contributed by both the Plantation and Manufacturing Divisions.



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 plantation yields.

The Manufacturing and Trading Division is expected to be facing a more challenging year as compared to last year in view of the current economic situation resulting in lower selling prices and higher freight charges affecting the sugar refining and trading business globally.

The Directors however expect the performance of the Group for the financial year ending 31 December 2008 to be better than 2007, based on the expected better performance of the Plantation Division.

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	13,625	29,626
Deferred tax	9,455	18,044
	<u>23,080</u>	<u>47,670</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 unrecognized tax losses of certain subsidiary companies which are not available for group relief.

6. Sale of Unquoted Investments and/or Properties

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) There was no purchase and disposal of quoted securities.
- (b) Investments in quoted securities as at the reporting period were as follows:-

	RM'000
(i) at cost	37,772
(ii) at carrying value	5,675
(iii) at market value	4,064

8. (a) Status of Corporate Proposals

The status of corporate proposals announced but not completed as at 27 August 2008, being the latest practicable date, are as follows:-

- (a) The merger exercise between the Group's Plantation Business with Johor Tenggara Oil Palm Berhad (JTOP) 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 involved in the merger. The SC had, vide its letter dated 11 January 2008, approved the Company's application for extension of time up to 31 December 2008 to comply with the following outstanding conditions:-

No.	Property	Beneficial owner	Condition and extension of time	Status of compliance
	<p>PT No. 803, Mukim of Hulu Jabur, District of Kemaman, Terengganu (181.41 ha of oil palm plantation known as Ladang Bukit Sah)</p>	<p>Uni-Agro Plantations (Terengganu) Sdn Bhd ("Uni-Agro")</p>	<p>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.</p> <p>The SC had vide its letter dated 11 January 2008 approved the Company's application for extension of time for compliance is up to 31 December 2008 to comply with the outstanding condition.</p>	<p>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.</p> <p>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.</p> <p>Uni-Agro had received Borang E, Akta Pengambilan Tanah, 1960 (Seksyen 10) dated 2 September 2007 for the compulsory acquisition of 68.3940 ha out of PT No. 803.</p> <p>Uni-Agro had on 3 June 2008 received a letter of rejection from Pejabat Tanah Kemaman dated 2 January 2008</p> <p>Subsequently, Uni-Agro had on 14 July 2008 submitted a letter of appeal to Pejabat Tanah Kemaman and is awaiting their decision.</p>

(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	441,554
Unsecured term loan	65,000
Sukuk Ijarah	210,000
Less: Current portion of long term borrowings	(153,762)
	<u>562,792</u>
<u>Short Term Borrowings</u>	
Secured	
- Revolving credit	50,000
- Murabahah Commercial Paper/Medium Term Notes	190,000
	240,000
Unsecured	
- Revolving credit	118,000
- Bankers' acceptance	14,375
	132,375
Current portion of long term borrowings	153,762
	<u>526,137</u>
Total	<u>1,088,929</u>

10. Off Balance Sheet Financial Instruments

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



11. Changes in Material Litigation

There was no pending material litigation as at 27 August 2008, being the latest practicable date.

12. Dividend

The Board of Directors does not recommend any dividend for the period ended 30 June 2008.

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 RM80,761,910 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 TPB 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	80,762
Effect of assumed conversion of TPB ICULS	4,124
Profit attributable to equity holders of the Company including assumed conversion of TPB ICULS	84,886

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.

The amount derived is "anti-dilutive" as at 30 June 2008.



BY ORDER OF THE BOARD

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

Kuala Lumpur
27 August 2008