

1. Basis of preparation

This interim report is prepared in accordance with MASB 26 “Interim Financial Reporting” and paragraph 9.22 of the Kuala Lumpur Stock Exchange Listing Requirements, and should be read in conjunction with the audited financial statements of the Group for the year ended 30 June 2002.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the year ended 30 June 2002.

2. Qualified financial statements

The preceding financial statements for the year ended 30 June 2002 were reported without any qualification.

3. Seasonality or cyclicity of interim operations

The Group’s operation is not affected materially by any seasonal/cyclical factors.

4. Nature and amount of unusual items affecting assets, liabilities, equity, net income or cash flows

Unusual items during the current quarter and year to date relates to the following:-

	<i>Current Quarter 30.9.2002 RM’000 (Unaudited)</i>	<i>Cumulative Quarter Year to date 30.9.2002 RM’000 (Unaudited)</i>
<ul style="list-style-type: none">Expenses incurred for the Company’s issuance of RM100 million nominal amount Al-Bai’ Bithaman Ajil Fixed Rate Serial Bonds.	1,192 =====	1,192 =====

5. Nature and amount of changes in estimates

There were no changes in estimates of amounts, which give a material effect in the current financial period ended 30 September 2002.

6. Debts and equity securities

For the current financial year to-date:-

- (i) On 15 August 2002, the Company issued RM100 million nominal value Al-Bai' Bithaman Ajil Fixed Rate Serial Bonds ("ABBA Bonds"). The ABBA Bonds were issued in 6 series in various maturities of between 2 to 7 years at a weighted average yield of 6.77%. The Primary Bonds issued are redeemable at their nominal amount in the following manner:-

<i>Series</i>	<i>Tenure(years)</i>	<i>Nominal Amount (RM'000)</i>
1	2	10,000
2	3	10,000
3	4	20,000
4	5	20,000
5	6	20,000
6	7	20,000

- (ii) During the three months ended, the issued and fully paid-up share capital of the Company was increased from 140,696,000 shares to 140,833,000 shares through the issuance of 137,000 shares of RM1 each pursuant to the Employees' Share Option Scheme

Other than as disclosed above, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 September 2002.

7. Taxations

	<i>Current Quarter 30.9.2002 RM'000 (Unaudited)</i>	<i>Cumulative Quarter Year to date 30.9.2002 RM'000 (Unaudited)</i>
Provision for taxation in respect of the profit for the period	500	500
Provision for deferred taxation	-	-
	500	500

The effective tax rate for the periods presented above was lower than the statutory income tax rate in Malaysia due the availability of capital allowances for set-off against the current year's taxable profit for its kernel crushing and palm oil refinery operations.

8. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without any amendments from the previous annual audited financial statements for the financial year ended 30 June 2002.

9. Segmental reporting

Segmental information is presented in respect of the Group's business segments which is the Group's primary basis of segmental reporting.

	<i>Oil Palm Plantations and Palm Products Processing RM '000</i>	<i>Industrial product RM '000</i>	<i>Biomass Power Plant RM '000</i>	<i>Rental RM '000</i>	<i>Eliminations RM '000</i>	<i>Total RM '000</i>
Revenue						
External sales	297,534	2,136	-	-	-	
Internal sales	51,793	2,102	-	-	(53,895)	
Total revenue	349,327	4,238	-	-	(53,895)	299,670
Result						
Segment profit/(loss) before tax	5,084	117	118	(114)		5,205
Unallocated Corporate expenses						(1,153)
Profit before tax						4,052
Taxation						(500)
Profit after tax						3,552
Other Information						
Segment assets	530,223	9,463	28,516	33,787		601,989
Segment liabilities	257,721	3,217	18,414	193		279,545
Capital Expenditure	5,788	-	2,874	-		8,662
Depreciation	4,303	20	-	98		4,421
Significant non-cash expenses	-	-	-	-		-

10. Sales of unquoted Investments and/or Properties

There were no sales of unquoted investments or properties for the current quarter and financial year to date.

11. Quoted securities

There was no purchase or disposal of any quoted securities for the current quarter and financial year to date.

12. Status of corporate proposal

- (a) There are no corporate proposals announced but not completed as at 22 November 2002, being 7 days from the date of this report.
- (b) The status of the utilisation of proceeds raised from the ABBA bonds as at 30 September 2002 are as follows:-

<i>Purpose</i>	<i>Amount as approved</i>	<i>Actual Amount Utilised</i>
	<i>RM'000</i>	<i>RM'000</i>
• Repayment of subsidiaries' existing bank borrowings	95,615	95,615
• Defraying fees and expenses associated with the issuance of the ABBA bonds	1,000	1,000
• Redemption of the Secondary Bonds which will become due and payable six months after date of ABBA bonds	3,385	-
Total	<u>100,000</u>	<u>96,615</u>

13. Group's borrowings and debts securities

Details of the Group's borrowings as at 30 September 2002 are as follows:

	<i>RM'000</i>
Short term borrowings	
- Unsecured	-
- Secured	<u>122,922</u>
- Total	<u>122,922</u>
Long term borrowings	
- Unsecured	-
- Secured*	<u>120,017</u>
- Total	<u>120,017</u>
Less: Current portion of long term borrowings	<u>(7,727)</u>
	<u>112,290</u>
Borrowings denominated in foreign currency - US Dollar	<u>1,403</u>

* including ABBA Bonds of RM100 million

14. Financial instruments

During the current financial period and up to 22 November 2002, being 7 days from the date of this report, the Group does not have any material outstanding financial instruments with off balance sheet risks.

15. Changes in the composition of the Group

There have been no changes to the composition of the Group during the current interim period including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing of operations

16. Contingent liabilities

Unsecured

The Company has provided corporate guarantees to secure banking facilities given to subsidiary companies. The amount utilised and outstanding as at 30 September 2002 amounted to RM137 million (30 June 2002 – RM127 million).

The Group is disputing a claim amounting to RM5 million from RHB Bank Berhad on an alleged foreign currency forward contract entered into by the Group. Legal proceedings are in progress and the outcome is yet to be determined. The Company's lawyers are of the opinion that the Group has a good prospect of succeeding in this litigation.

17. Capital commitments

Capital commitment for property, plant and equipment not provided for in the financial statement as at 30 September 2002 is as follows:

	<i>RM'000</i>
Approved and contracted for	3,162

18. Comparison with preceding quarter

The Group registered a revenue of RM299.67 million and pre-tax profit of RM4.052 million in current quarter after deducting unusual item of RM1,192 million being expenses incurred for issuance of ABBA Bonds as compared to RM169.86 million and loss of RM3.689 million in the preceding quarter, an increase of RM129.81 million or 76.4% and RM7.741 million or 209.8% respectively. The improvement was due to increased in Crude Palm Oil price and improvement in FFB yield which benefited the Group's plantation and milling sectors.

19. Review of performance

Palm product prices have improved further during the quarter under reviewed. The improvement of palm product prices contributed positively to the Group's earning and profits. The Group's palm oil extraction mills, refinery and kernel crushing plant are operating at optimal capacity. The Group electricity power generation plant is currently at the commissioning stage, and its China, Guangzhou bulking tank project is near completion. The coming on stream of these new operations will provide additional contribution to the Group's earnings and profits.

Notes to the interim financial - 30 September 2002

20. Prospects

Barring any unforeseen circumstances, the group expects to achieve a better performance in next quarter.

21. Variance of actual profit from forecast profit and shortfall in the profit guarantee

There were no profit forecast or profit guarantee given for this financial year ending 30 June 2003.

22. Subsequent events

At the forthcoming Annual General Meeting which to be held on 19 December 2002, a final dividend of 2 sen per share, tax exempt amounting to RM2,813,920 will be proposed for shareholders' approval in respect of the financial year ended 30 June 2002.

23. Dividends paid

There were no dividends paid during the financial year to date.

24. Earning per share

	<i>Current</i> 30.09.2002	<i>Period</i> 30.09.2001	<i>Cumulative</i> 30.09.2002	<i>Period</i> 30.09.2001
(a) Basic earnings per share				
Net profit/(loss) for the period (RM'000)	3,552	(3,689)	3,552	(3,689)
Weighted average number of Ordinary shares in issue ('000)	140,768	140,087	140,768	140,087
Basic earnings per share (sen)	2.52	(2.63)	2.52	(2.63)
(b) Diluted earnings per share				
Net profit/(loss) for the period (RM'000)	3,552	(3,689)	3,552	(3,689)
Weighted average number of Ordinary shares for diluted ('000)	142,660	141,730	142,660	141,730
Diluted earnings per share (sen)	2.49	(2.60)	2.49	(2.60)

25. Significant related party transactions

	<i>Current Quarter</i>	<i>Cumulative Quarter Year to date</i>
	<i>30.09.2002</i>	<i>30.09.2002</i>
	<i>(RM'000)</i>	<i>(RM'000)</i>
Transactions with Fordeco Construction Sdn. Bhd., a company in which Kwan Ngen Chung and Kwan Ngen Wah, Directors of the Company, have interest:		
Sales of diesel	215	215
Transactions with Fordeco Sdn. Bhd., a company in which Kwan Ngen Chung and Kwan Ngen Wah, Directors of the Company, have interest:		
Sales of diesel	117	117
Transactions with Lahad Datu Tyres Sdn. Bhd., a company in which the brother and a sister of Kwan Ngen Chung, Kwan Ngen Wah, Kwan Jin Nget and Kwan Min Nyet, Directors of the Company, have interest:		
Purchase of tyres, batteries and lubricants	253	253

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with third parties.

By Order of the Board

Chong Kan Hiung (MIA 8401)

Company Secretary
29 November 2002