1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of leasehold land and buildings included within property, plant and equipment and plantation development expenditure.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2006.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 July 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment property

The adoption of FRS 2, 3, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, 138 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest and other disclosures. In the condensed consolidated balance sheet, minority interests are now presented within total equity. In the condensed consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the condensed consolidated statement of changes in equity. FRS 101 also require disclosure, on the face of the condensed consolidated statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to the minority interest.

Plantation development expenditure ("PDE") previously classified under property, plant and equipment is now disclosed separately in the condensed consolidated balance sheet as PDE. The Group maintains its existing accounting policy on PDE and shall comply with the provisions of ED50: Agriculture, the equivalent of International Accounting Standard 41, once it becomes effective for application in Malaysia.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with comparatives restated to conform with the current period's presentation. The effect to the Group on the adoption of FRS 101 is set out in item (b) below.

(b) FRS 140: Investment Properties

Prior to 1 July 2006, investment properties were included in property, plant and equipment. Following the adoption of FRS 140: Investment Properties, investment properties are now classified separately. The reclassification of investment properties has been accounted for retrospectively. Investment properties are stated at cost less accumulated depreciation and impairment losses, consistent with the accounting policy for property, plant and equipment.

(c) The following comparative amounts have been restated due to the adoption of FRS 101 and FRS 140:

	Previously stated RM '000	**Adjustments on adoption of FRS 101 RM '000**	**As restated RM '000**
At 30 June 2006			
Property, plant and equipment	821,175	(229,978)	591,197
Investment properties	-	9,623	9,623
Plantation development expenditure	-	220,355	220,355

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2006 was not qualified.

4. Segmental Information

Segmental information for the current financial year ended 30 June 2007 is as followed:

	3 months ended		*12 months ended*	
	30.6.2007	***30.6.2006***	***30.6.2007***	***30.6.2006***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Segment Revenue				
Oil palm plantations and palm product processing	842,204	352,356	2,619,083	1,195,287
Trading of industrial products	2,586	(4,211)	5,847	7,115
Biomass energy	3,268	2,538	13,551	9,734
Others	12	12	50	50
Total revenue including inter-segment sales	848,070	350,695	2,638,531	1,212,186
Elimination of inter-segment sales	(211,434)	(16,666)	(695,125)	(89,982)
Total	636,636	334,029	1,943,406	1,122,204
Segment Results				
Oil palm plantations and palm product processing	28,906	8,184	88,193	14,238
Trading of industrial products	30	(148)	39	90
Biomass energy	2,965	(63)	4,647	1,357
Others	(87)	19	(476)	(283)
	31,814	7,992	92,403	15,402
Eliminations	-	-	-	-
Total	31,814	7,992	92, 403	15,402

5. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year ended 30 June 2007 except as disclosed in Note 2.

6. Changes in Estimates

There were no material changes in estimates that have had a material effects in the current quarter results.

7. Comments About Seasonal or Cyclical Factors

The production of fresh fruit bunches is seasonal in nature and normally peak in the second half of the year.

8. Dividend Paid

Dividends paid on 13 March 2007 were declared on 13 December 2006, in respect of the financial year ended 30 June 2006 being first and final tax exempt dividend of 5 sen per share, on 155,338,630 ordinary shares, amounting to RM7,766,932.

9. Carrying Amount of Revalued Assets

During the current quarter, the Group has performed its latest revaluation on its property, plant and equipment to conform with the Group policy and the revaluation increase has been credited to equity as revaluation surplus.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 30 June 2007.

11. Changes in Composition of the Group

Acquisition of a Subsidiary

On 1 February 2007, the Group had acquired 100% equity interest in Kwantas Edible Oil (Bintulu) Sdn Bhd, an unlisted company incorporated in Malaysia which is currently dormant, for a total cash consideration of RM1,000.

12. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2007 is as follows:

	RM'000
Approved and contracted for	16,467

13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

i) The Company has provided corporate guarantees to secure banking facilities granted to subsidiary companies. The amount utilised and outstanding as at 30 June 2007 amounted to approximately RM210 million.

ii) The Group is disputing a claim amounting to approximately RM5 million from a commercial bank on foreign currency forward contract alleged to have been entered into by a subsidiary company. 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 defending the claim.

iii) In response to a claim by Palm Energy Sdn. Bhd. ("PESB"), a wholly owned subsidiary of the company of a 9.8 Mega Watt co-generation power plant for liquidated damages, loss of revenue and refurbishment costs totalling approximately RM8 million, the said supplier counter claimed the balance of the original contract sum amounting to approximately RM1 million and variation order works totalling approximately RM1 million. An arbitrator has been appointed and arbitration process is on going.

14. Subsequent Events

There were no material events subsequent to the end of the current quarter except for the following:

Acquisition of Subsidiary Companies

(a) On 30 July 2007, the Group, vide its wholly-owned subsidiary of Kwantas Plantations Sdn Bhd, had acquired 60% equity interest in Kwantas Pelita Plantation (Balingian) Sdn Bhd, a joint venture company established together with Pelita Holding Sdn Bhd, a nominee company of the Ministry of Land Development Sarawak to develop the parcels of land located at Ulu Balingian area, Mukah Division, Sibu, Sarawak into oil palm plantations, for a total cash consideration of RM60; and

(b) On 21 August 2007, the Group had acquired 70% equity interest in Pristine Prestige Sdn Bhd, a company incorporated in Malaysia, which is currently dormant, for a total cash consideration of RM70.

15. Performance Review

The oil palm plantations and oils and fats processing activities continued to be the major contributor to the Group's revenue and profit. The revenue of the Group has increased by RM821,202,000 or 73% from RM1,122,204,000 in last FYE2006 to RM1,943,406,000 in current financial year. The improved performance is attributable to higher palm product prices. Average CPO price traded for FYE2006 was RM1,430 per MT as compared to RM1,830 per MT in FYE2007.

Furthermore, revenue from the Group's China operations in the current FYE2007 has increased by RM362.3 million or 160.7% to RM587.7 million, as compared to RM225.4 million in FYE2006, the significant increase is mainly due to increased sales in shortening/margarine product and seasonal trading of refined soya bean oil which was produced by the subsidiary's oils and fats processing facilities in Guangzhou. The two subsidiaries that are involved in bulking tank rental, trading, oils and fats processing and shortening/margarine manufacturing have been fully operational since last comparative quarter.

16. Comment on Material Change in Profit Before Taxation

The Group's profit before taxation has increased to RM37.086 million in current quarter from RM5.798 million in Q4 FYE2006. The increase of RM31.288 million or 540% was mainly due to the increase in palm products and CPO prices and better products margin coupled with increased palm and soya bean oil processing volume in China as compared to Q4 FYE2006.

17. Commentary on Prospects

The Directors are of the view that the overall performance of the Group will continue to be strong due to positive CPO price and market outlooks and increased contribution from the China operation. The potential for the China operation is positive as the demand for oils and fats products are expected to be high in this growing economy. The Group's China operation will also be further improved when the two subsidiaries in Guangzhou and Zhangjiagang commence its soap noodle, oleochemical and gycerin plants in the late of 2007.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

19. Income Tax Expense

	3 months ended		*12 months ended*	
	30.6.2007	***30.6.2006***	***30.6.2007***	***30.6.2006***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Current tax:				
Malaysian income tax	5,422	2,416	12,844	6,398
Deferred tax	(150)	(4,610)	(300)	(5,610)
Total income tax expense	5,272	(2,194)	12,544	788

The effective tax rate for the current quarter was lower than the statutory income tax rate principally due the availability of unabsorbed capital, reinvestment and investment tax allowances, double tax deduction and unused tax losses of certain subsidiary companies for set-off against the current period's taxable profit for its biomass power plant and palm product processing operations, and certain expenses which are not deductible for tax purposes.

20. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the current quarter.

21. Quoted Securities

There was no purchase or disposal of marketable securities for the current quarter.

22. Corporate Proposals

There are no corporate proposals announced but not completed as at 25 August 2007.

23. Borrowings

The Group borrowings, which is secured, was as follows:

	As at 30.6.2007 RM'000	***As at 30.6.2006 RM'000***
Short term borrowings		
- Secured	356,980	217,359
Long term borrowings		
- Secured	147,391	212,998
	504,371	430,357

Included in long term secured borrowings are RM135 million nominal value of Sukuk Ijarah.

Borrowings denominated in foreign currency:

	USD '000	**RM '000 equivalent**
United States Dollars	28,750	99,557
	=======	=======

24. Off Balance Sheet Financial Instruments

	Notional amount as at 30.6.2007 RM '000
Contingent liabilities	7,000
Contingent Assets	8,000
Interest rate swap agreement:	
More than 1 year and less than 5 years	80,000
Forward foreign exchange contracts used to hedged anticipated sales	157,807

Credit risk, or the risk of counterparties defaulting, is controlled by limiting the Group's association to creditworthy financial institutions in Malaysia.

Market risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Exposure to market risk may be reduced through offsetting on and off balance sheet positions.

There are no significant credit and market risks posed by the above off balance sheet financial instruments.

The related accounting policy for the off balance sheet financial instruments disclosed in the financial statements for the year ended 30 June 2007 is as follows:

Off balance sheet financial instruments are not recognised in the financial statements on inception.

Interest Rate Swap Contracts:
Net differentials in interest receipts and payments arising from interest rate swap contracts are recognised as interest income or expense over the period of the contract.

Forward Foreign Exchange Contracts:
The underlying foreign currency assets or liabilities are translated at their respective hedged exchange rates and all exchange gains or loses are recognised as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

25. Changes in Material Litigation

As at 25 August 2007, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2006, as details in Note 13.

26. Dividend Payable

No interim dividend has been declared for the financial year ended 30 June 2007.

27. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

	3 months ended		*12 months ended*	
	30.6.2007	***30.6.2006***	***30.6.2007***	***30.6.2006***
Profit for the year attributable to ordinary equity holders of the parent (RM'000)	27,553	8,330	78,227	17,532
Weighted average number of ordinary shares in issue ('000)	155,339	155,339	155,339	154,859
Basic earnings per share (sen)	17.74	5.36	50.36	11.32

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of all potential ordinary shares and shares options granted to employees.

	3 months ended		*12 months ended*	
	30.6.2007	***30.6.2006***	***30.6.2007***	***30.6.2006***
Profit for the year attributable to ordinary equity holders of the parent (RM'000)	27,553	8,330	78,227	17,532
Weighted average number of ordinary shares in issue ('000):	155,339	155,339	155,339	154,859
Effect of dilution:				
Share options	3,566	3,129	3,463	3,496
Adjusted weighted average number of ordinary shares in issue and issuable	158,905	158,468	158,802	158,355
Diluted earnings per share (sen)	17.34	5.26	49.26	11.07

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 August 2007.