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, prepaid lease payments 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 2007. 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 2007.

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 2007 except for the adoption of the Financial Reporting Standards ("FRS") 117 Leases, which is effective for financial year beginning 1 July 2007.

Prior to 1 July 2007, the Group's leasehold land held for own use was classified as property, plant and equipment and was stated at cost/valuation less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a retrospective change in the accounting policy relating to the classification of leasehold land and land deposit separately from property, plant and equipment. The upfront payments for leasehold land represent prepaid lease payments and are amortised on a straight line basis over the lease term. As allowed by the transitional provisions of FRS 117, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments.

The reclassifications of leasehold land and land deposit have been accounted for retrospectively and the following comparative amounts as at 30 June 2007 have been restated:

Consolidated Balance Sheets At 30 June 2007	As previously stated RM '000	Adjustments on adoption of FRS 117 RM '000	As restated RM '000
Property, plant and equipment	781,592	(245,507)	536,085
Prepaid lease payments	-	245,507	245,507

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2007 was not qualified.

4. Segmental Information

Segmental information for the current financial period ended 31 December 2007 is as followed:

	3 months ended		***6 months ended***	
	31.12.2007 RM'000	***31.12.2006 RM'000***	***31.12.2007 RM'000***	***31.12.2006 RM'000***
Segment Revenue				
Oil palm plantations and palm product processing	1,240,275	689,267	2,073,145	1,087,083
Trading of industrial products	3,136	958	5,534	1,235
Biomass energy	2,397	2,869	4,705	5,788
Others	12	12	25	25
Total revenue including inter-segment sales	1,245,820	693,106	2,083,409	1,094,131
Elimination of inter-segment sales	(228,320)	(257,919)	(506,537)	(283,021)
Total	1,017,500	435,187	1,576,872	811,110
Segment Results				
Oil palm plantations and palm product processing	58,556	12,899	81,059	30,254
Trading of industrial products	17	31	80	44
Biomass energy	202	305	294	155
Others	(87)	(77)	(173)	(173)
	58,688	13,158	81,260	30,280
Eliminations	-	-	-	-
Total	58,688	13,158	81,260	30,280

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 period ended 31 December 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

At the Twelfth Annual General Meeting held on 13 December 2007, the shareholders approved a first and final 5 sen less 27% taxation and 10 sen tax exempt dividend of 13.65 sen net per ordinary share of RM1.00 each or after the share split 2.50 sen less 27% taxation and 5 sen tax exempt dividend of 6.825 sen net per ordinary shares of RM0.50 each, amounting to a dividend payable of RM21,203,723 to be paid on 3 March 2008 in respect of the financial year ended 30 June 2007.

On 15 February 2008, the Company announced that amendment is made to the revision of taxation from 27% to 26% in respect of the dividend to be paid on 3 March 2008.

9. Carrying Amount of Revalued Assets

The valuations of leasehold land and buildings included within property, plant and equipment, plantation development expenditure and prepaid lease payments have been brought forward without amendment from the financial statements for the financial year ended 30 June 2007.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 December 2007.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter, except the following:

(a) On 20 October 2007, the Company subscribed for 2 ordinary shares of RM1 each, representing 100% equity interest in Green Green Grass Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2; and

(b) The Company had on 1st February 2007 announced the acquisition of 50% interest in Guangxi Dongma Nian Nian Feng Grains & Oils Co Ltd ("GXDMNNF"), vide its 51% owned subsidiary Dongma Oils & Fats (Guangzhou Free Trade Zone) Co Ltd ("DMGZ") at a total cost of investment of USD1,250,000 (equivalent to RMB10,000,000). DMGZ disposed its entire 50% equity interest in GXDMNNF for a total cash consideration of RMB17,800,000. Following the disposal, GXDMNNF ceased to be a subsidiary in Kwantas Group.

The above disposal resulted an exceptional gain of RMB2,241,982 which will not have any material effect on Kwantas Group's earning per share and net assets based on Kwantas Group's latest accounts as at 31 December 2007.

Save through Kwantas, none of the Directors, substantial shareholders of Kwantas or persons connected with them has any interest, direct or indirect, in the disposal of GXDMNNF.

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 31 December 2007 is as follows:

	RM'000
Approved and contracted for	12,429

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 31 December 2007 amounted to approximately RM298 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., a wholly owned subsidiary of the company for liquidated damages, loss of revenue and refurbishment costs totalling approximately RM8 million, the contractor 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 CIMB Investment Bank Berhad announced on behalf of the Company that the Share Split exercise had been completed. As a result, 155,338,632 ordinary shares of RM1.00 each in Kwantas are subdivided into 310,677,264 ordinary shares of RM0.50 each. The shares split is listed and quoted on Bursa Malaysia Securities Berhad on 7 January 2008.

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 RM765,762,000 or 94% from RM811,110,000 in Q2 FYE2007 to RM1,576,872,000 in current quarter. This was mainly due to the increased in palm products prices in the current quarter compared to Q2 FYE2007. The average CPO price traded for Q2 FYE2007 was RM1,526 per MT as compared to RM2,508 per MT in Q2 FYE2008.

Revenue from the Group's China operations in the current quarter has increased by RM312,355,000 or 197% to RM471,083,000, as compared to RM158,728,000 in Q2 FYE2007. The significant increased is mainly due to increased sales in shortening/margarine products and seasonal trading of refined soya bean oil produced by the subsidiary's oils and fats processing facilities in Guangzhou.

16. Comment on Material Change in Profit Before Taxation

The Group's profit before taxation has increased to RM100,509,000 in current quarter from RM34,810,000 in Q2 FYE2007. The increase of RM65,699,000 or 189% was mainly due to the increased in CPO prices and better products margin coupled with increased palm and soya bean oil processing volume in china compared to Q2 FYE2007.

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 gycerine plants in the mid of 2008.

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		***6 months ended***	
	31.12.2007 ***RM'000***	***31.12.2006*** ***RM'000***	***31.12.2007*** ***RM'000***	***31.12.2006*** ***RM'000***
Current tax:				
Malaysian income tax	12,461	2,180	18,249	4,680
Deferred tax	700	(150)	1,000	(150)
Total income tax expense	13,161	2,030	19,249	4,530

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 22 February 2008.

23. Borrowings

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

	As at 31.12.2007 RM'000	***As at 30.6.2007 RM'000***
Short term borrowings		
- Unsecured	-	851
- Secured	376,249	315,079
	376,249	315,930
Long term borrowings		
- Secured	162,721	186,028
	538,970	501,958

Included in long term secured borrowings are RM150 million nominal value of Sukuk Ijarah.

Borrowings denominated in foreign currency:

	USD '000	RM '000 equivalent
United States Dollars	23,247	79,148
	=======	=======

24. Off Balance Sheet Financial Instruments

	Notional amount as at 31.12.2007 RM '000
Contingent liabilities	7,000
Contingent Assets	8,000
Forward foreign exchange contracts used to hedged anticipated sales	16,727

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 period ended 31 December 2007 is as follows:

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

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 22 February 2008, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2007, as detailed in Note 13.

26. Dividend Payable

No interim dividend has been declared for the financial period ended 31 December 2007.

27. Earnings Per Share

(a) Basic

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

	3 months ended		***6 months ended***	
	31.12.2007	***31.12.2006***	***31.12.2007***	***31.12.2006***
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	54,366	12,170	75,545	27,760
Weighted average number of ordinary shares in issue ('000)	310,677	310,677	310,677	310,677
Basic earnings per share (sen)	17.50	3.92	24.32	8.94

(b) Diluted

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

	3 months ended		***6 months ended***	
	31.12.2007	***31.12.2006***	***31.12.2007***	***31.12.2006***
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	54,366	12,170	75,545	27,760
Weighted average number of ordinary shares in issue ('000):	310,677	310,677	310,677	310,677
Effect of dilution: Share options	8,252	6,046	8,051	6,046
Adjusted weighted average number of ordinary shares in issue and issuable	318,929	316,723	318,728	316,723
Diluted earnings per share (sen)	17.05	3.84	23.70	8.77

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 22 February 2008.

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, prepaid lease payments 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 2007. 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 2007.

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 2007 except for the adoption of the Financial Reporting Standards (“FRS”) 117 Leases, which is effective for financial year beginning 1 July 2007.

Prior to 1 July 2007, the Group’s leasehold land held for own use was classified as property, plant and equipment and was stated at cost/valuation less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a retrospective change in the accounting policy relating to the classification of leasehold land and land deposit separately from property, plant and equipment. The upfront payments for leasehold land represent prepaid lease payments and are amortised on a straight line basis over the lease term. As allowed by the transitional provisions of FRS 117, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments.

The reclassifications of leasehold land and land deposit have been accounted for retrospectively and the following comparative amounts as at 30 June 2007 have been restated:

Consolidated Balance Sheets	As previously stated RM ‘000	Adjustments on adoption of FRS 117 RM ‘000	As restated RM ‘000
At 30 June 2007			
Property, plant and equipment	781,592	(245,507)	536,085
Prepaid lease payments	-	245,507	245,507

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2007 was not qualified.

4. Segmental Information

Segmental information for the current financial period ended 31 December 2007 is as followed:

	3 months ended		***6 months ended***	
	31.12.2007	***31.12.2006***	***31.12.2007***	***31.12.2006***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Segment Revenue				
Oil palm plantations and palm product processing	1,240,275	689,267	2,073,145	1,087,083
Trading of industrial products	3,136	958	5,534	1,235
Biomass energy	2,397	2,869	4,705	5,788
Others	12	12	25	25
Total revenue including inter-segment sales	1,245,820	693,106	2,083,409	1,094,131
Elimination of inter-segment sales	(228,320)	(257,919)	(506,537)	(283,021)
Total	1,017,500	435,187	1,576,872	811,110
Segment Results				
Oil palm plantations and palm product processing	58,556	12,899	81,059	30,254
Trading of industrial products	17	31	80	44
Biomass energy	202	305	294	155
Others	(87)	(77)	(173)	(173)
	58,688	13,158	81,260	30,280
Eliminations	-	-	-	-
Total	58,688	13,158	81,260	30,280

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 period ended 31 December 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

At the Twelfth Annual General Meeting held on 13 December 2007, the shareholders approved a first and final 5 sen less 27% taxation and 10 sen tax exempt dividend of 13.65 sen net per ordinary share of RM1.00 each or after the share split 2.50 sen less 27% taxation and 5 sen tax exempt dividend of 6.825 sen net per ordinary shares of RM0.50 each, amounting to a dividend payable of RM21,203,723 to be paid on 3 March 2008 in respect of the financial year ended 30 June 2007.

On 15 February 2008, the Company announced that amendment is made to the revision of taxation from 27% to 26% in respect of the dividend to be paid on 3 March 2008.

9. Carrying Amount of Revalued Assets

The valuations of leasehold land and buildings included within property, plant and equipment, plantation development expenditure and prepaid lease payments have been brought forward without amendment from the financial statements for the financial year ended 30 June 2007.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 December 2007.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter, except the following:

(a) On 20 October 2007, the Company subscribed for 2 ordinary shares of RM1 each, representing 100% equity interest in Green Green Grass Sdn. Bhd., a company incorporated in Malaysia, for a total cash consideration of RM2; and

(b) The Company had on 1st February 2007 announced the acquisition of 50% interest in Guangxi Dongma Nian Nian Feng Grains & Oils Co Ltd ("GXDMNNF"), vide its 51% owned subsidiary Dongma Oils & Fats (Guangzhou Free Trade Zone) Co Ltd ("DMGZ") at a total cost of investment of USD1,250,000 (equivalent to RMB10,000,000). DMGZ disposed its entire 50% equity interest in GXDMNNF for a total cash consideration of RMB17,800,000. Following the disposal, GXDMNNF ceased to be a subsidiary in Kwantas Group.

The above disposal resulted an exceptional gain of RMB2,241,982 which will not have any material effect on Kwantas Group's earning per share and net assets based on Kwantas Group's latest accounts as at 31 December 2007.

Save through Kwantas, none of the Directors, substantial shareholders of Kwantas or persons connected with them has any interest, direct or indirect, in the disposal of GXDMNNF.

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 31 December 2007 is as follows:

	RM'000
Approved and contracted for	12,429

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 31 December 2007 amounted to approximately RM298 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., a wholly owned subsidiary of the company for liquidated damages, loss of revenue and refurbishment costs totalling approximately RM8 million, the contractor 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 CIMB Investment Bank Berhad announced on behalf of the Company that the Share Split exercise had been completed. As a result, 155,338,632 ordinary shares of RM1.00 each in Kwantas are subdivided into 310,677,264 ordinary shares of RM0.50 each. The shares split is listed and quoted on Bursa Malaysia Securities Berhad on 7 January 2008.

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 RM765,762,000 or 94% from RM811,110,000 in Q2 FYE2007 to RM1,576,872,000 in current quarter. This was mainly due to the increased in palm products prices in the current quarter compared to Q2 FYE2007. The average CPO price traded for Q2 FYE2007 was RM1,526 per MT as compared to RM2,508 per MT in Q2 FYE2008.

Revenue from the Group's China operations in the current quarter has increased by RM312,355,000 or 197% to RM471,083,000, as compared to RM158,728,000 in Q2 FYE2007. The significant increased is mainly due to increased sales in shortening/margarine products and seasonal trading of refined soya bean oil produced by the subsidiary's oils and fats processing facilities in Guangzhou.

16. Comment on Material Change in Profit Before Taxation

The Group's profit before taxation has increased to RM100,509,000 in current quarter from RM34,810,000 in Q2 FYE2007. The increase of RM65,699,000 or 189% was mainly due to the increased in CPO prices and better products margin coupled with increased palm and soya bean oil processing volume in china compared to Q2 FYE2007.

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 gycerine plants in the mid of 2008.

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		***6 months ended***	
	31.12.2007 RM'000	***31.12.2006 RM'000***	***31.12.2007 RM'000***	***31.12.2006 RM'000***
Current tax:				
Malaysian income tax	12,461	2,180	18,249	4,680
Deferred tax	700	(150)	1,000	(150)
Total income tax expense	13,161	2,030	19,249	4,530

The effective tax rate for the current quarter was lower than the statutory income tax rate principally due to 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 22 February 2008.

23. Borrowings

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

	As at 31.12.2007 RM'000	*As at 30.6.2007 RM'000*
Short term borrowings		
- Unsecured	-	851
- Secured	376,249	315,079
	376,249	315,930
Long term borrowings		
- Secured	162,721	186,028
	538,970	501,958

Included in long term secured borrowings are RM150 million nominal value of Sukuk Ijarah.

Borrowings denominated in foreign currency:

	USD '000	RM '000 equivalent
United States Dollars	23,247	79,148
	=======	=======

24. Off Balance Sheet Financial Instruments

	Notional amount as at 31.12.2007 RM '000
Contingent liabilities	7,000
Contingent Assets	8,000
Forward foreign exchange contracts used to hedged anticipated sales	16,727

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 period ended 31 December 2007 is as follows:

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

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 22 February 2008, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2007, as detailed in Note 13.

26. Dividend Payable

No interim dividend has been declared for the financial period ended 31 December 2007.

27. Earnings Per Share

(a) Basic

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

	3 months ended		***6 months ended***	
	31.12.2007	***31.12.2006***	***31.12.2007***	***31.12.2006***
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	54,366	12,170	75,545	27,760
Weighted average number of ordinary shares in issue ('000)	310,677	310,677	310,677	310,677
Basic earnings per share (sen)	17.50	3.92	24.32	8.94

(b) Diluted

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

	3 months ended		***6 months ended***	
	31.12.2007	***31.12.2006***	***31.12.2007***	***31.12.2006***
Profit for the period attributable to ordinary equity holders of the parent (RM'000)	54,366	12,170	75,545	27,760
Weighted average number of ordinary shares in issue ('000):	310,677	310,677	310,677	310,677
Effect of dilution: Share options	8,252	6,046	8,051	6,046
Adjusted weighted average number of ordinary shares in issue and issuable	318,929	316,723	318,728	316,723
Diluted earnings per share (sen)	17.05	3.84	23.70	8.77

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 22 February 2008.