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/year ended 30 June 2008 is as follows:

	3 months ended		*12 months ended*	
	30.6.2008	***30.6.2007***	***30.6.2008***	***30.6.2007***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Segment Revenue				
Oil palm plantations and palm product processing	1,351,025	852,004	4,597,613	2,628,883
Trading of industrial products	3,355	190	11,632	3,451
Biomass energy	2,684	2,446	11,086	12,729
Others	12	12	50	50
Total revenue including inter-segment sales	1,357,076	854,652	4,620,381	2,645,113
Elimination of inter-segment sales	(328,990)	(211,434)	(1,194,435)	(695,125)
Total	1,028,086	643,218	3,425,946	1,949,988
Segment Results				
Oil palm plantations and palm product processing	43,341	31,434	189,168	90,721
Trading of industrial products	59	30	135	39
Biomass energy	904	1,858	2,926	3,540
Others	(88)	40	(360)	(349)
	44,216	33,362	191,869	93,951
Eliminations	-	-	-	-
Total	44,216	33,362	191,869	93,951

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 2008, 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 3 March 2008 were declared on 13 December 2007, in respect of the financial year ended 30 June 2007 being a first and final 5 sen less 26% taxation and 10 sen tax exempt dividend of 13.70 sen net per ordinary share of RM1.00 each or after the share split 2.50 sen less 26% taxation and 5 sen tax exempt dividend of 6.85 sen net per ordinary shares of RM0.50 each, amounting to a dividend payable of RM21,349,892.15.

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 30 June 2008.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

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 2008 is as follows:

	RM'000
Approved and contracted for	17,624

13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

The Company has provided corporate guarantees to secure banking facilities granted to subsidiary companies. The amount utilised and outstanding as at 30 June 2008 amounted to approximately RM343 million.

14. Subsequent Events

There were no material events subsequent to the end of the current quarter except as disclosed in Note 25.

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 RM1,475,957,000 or 76% from RM1,949,988,000 in FYE2007 to RM3,425,945,000 in current year. This was mainly due to the increased in trading volume and palm products prices in the current year compared to FYE2007. The average CPO price traded for FYE2007 was RM1,830 per MT as compared to RM2,831 per MT in FYE2008.

Revenue from the Group's China operations in the current year has increased by RM263,980,000 or 45% to RM851,680,000, as compared to RM587,700,000 in 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 RM212,147,000 in current year from RM105,107,000 FYE2007. The increase of RM107,040,000 or 102% 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 FYE2007.

17. Commentary on Prospects

The Directors are of the view that the overall performance of the Group will subject to the world economy slowdown and unsettled market demand due to concern over the increasing volatility of CPO price. 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.

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*	
	30.6.2008	***30.6.2007***	***30.6.2008***	***30.6.2007***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Current tax:				
Malaysian income tax	(30)	805	21,278	8,227
Foreign tax	-	62	-	62
Deferred tax	(700)	3,017	(1,000)	2,867
Total income tax expense	(730)	3,884	20,278	11,156

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 year'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 2008.

23. Borrowings

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

	As at 30.6.2008 RM'000	***As at 30.6.2007 RM'000***
Short term borrowings		
- Unsecured	-	851
- Secured	542,665	315,079
	542,665	315,930
Long term borrowings		
- Secured	147,202	186,028
	689,867	501,958

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	19,006	64,508
	=======	=======

24. Off Balance Sheet Financial Instruments

	Notional amount as at 30.6.2008 RM '000
Contingent liabilities	7,000
Contingent Assets	8,000

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 2008 is as follows:

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

Forward Foreign Exchange Contracts:

The forward foreign exchange contracts entered into by the Group as at 15 August 2008 (being a date not earlier than 7 days from the date of this report) were as follows:

	Currency	**Contract Amount '000**	**Equivalent Amount RM '000**	**Mature within One Year RM '000**
Forward foreign exchange contract used to hedge anticipated sales	USD	270,530	864,664	864,664

The forward foreign exchange contracts were entered into by the Group as hedges for committed sales denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group to fluctuations in foreign exchange on receipts and payments. Any gains or losses arising from forward contracts are recognised in the income statement upon maturity.

There is minimal credit risk for the forward foreign exchange contracts because these contracts are entered into with licensed financial institutions.

25. Material Litigation

i) 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.

ii) In response to a claim by Palm Energy Sdn. Bhd., a wholly owned subsidiary of the Group 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.

iii) The Group's 51% owned subsidiary, Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), a bulking tank operator in China, is disputing the demand for delivery of refined palm oil product value RM12 million (RMB24.8 million) from a customer, as DMGZ contenting that the customer has no legal right to claim as the relevant sales contract has been cancelled earlier. Legal proceeding is now in progress. The Company's lawyers are of the opinion that the Group has a good chance of succeeding in defending the claim.

iv) On 19 August 2008, an import/export agent filed a claim of RM30 million (RMB64.2 million) against DMGZ, a 51% owned subsidiary of the Group, alleging that the DMGZ had released goods without their authorization, DMGZ on the other hand contenting that they have received the appropriate authorization for the release of goods. DMGZ's lawyer is currently reviewing the claim and is in the process of preparing the defence for the case.

Other than the above litigations, 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.

26. Dividend Payable

No interim dividend has been declared for the financial year ended 30 June 2008.

27. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period/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***	
	30.6.2008	***30.6.2007***	***30.6.2008***	***30.6.2007***
Profit for the period/year attributable to ordinary equity holders of the parent (RM'000)	35,349	26,998	150,661	77,672
Weighted average number of ordinary shares in issue ('000)	311,677	310,677	311,120	310,677
Basic earnings per share (sen)	11.34	8.69	48.43	25.00

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period/year attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period/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***	
	30.6.2008	***30.6.2007***	***30.6.2008***	***30.6.2007***
Profit for the period/year attributable to ordinary equity holders of the parent (RM'000)	35,349	26,998	150,661	77,672
Weighted average number of ordinary shares in issue ('000):	311,677	310,677	311,120	310,677
Effect of dilution: Share options	7,550	7,132	7,977	6,926
Adjusted weighted average number of ordinary shares in issue and issuable	319,227	317,809	319,097	317,603
Diluted earnings per share (sen)	11.07	8.50	47.21	24.46

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 26 August 2008.