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 land lease payments and biological assets.

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 2008. 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 2008.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2008 was not qualified.

3. Segmental Information

Segmental information for the current financial period ended 31 March 2009 is as followed:

	3 months ended		*9 months ended*	
	31.3.2009	***31.3.2008***	***31.3.2009***	***31.3.2008***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Segment Revenue				
Oil palm plantations and palm and soya bean product processing	287,674	1,173,443	1,500,890	3,246,588
Trading of industrial products	1,353	2,743	7,272	8,277
Biomass energy	2,504	3,697	10,895	8,402
Others	13	13	38	38
Total revenue including inter-segment sales	291,544	1,179,896	1,519,095	3,263,305
Elimination of inter-segment sales	(63,574)	(358,908)	(342,856)	(865,445)
Total	227,970	820,988	1,176,239	2,397,860
Segment Results				
Oil palm plantations and palm and soya bean product processing	(37,889)	66,768	(95,402)	145,827
Trading of industrial products	9	(4)	63	76
Biomass energy	308	1,728	1,992	2,022
Others	(98)	(99)	(272)	(272)
	(37,670)	66,393	(93,619)	147,653
Eliminations	-	-	-	-
Total	(37,670)	66,393	(93,619)	147,653

4. 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 March 2009.

5. Changes in Estimates

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

6. 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.

7. Dividend Paid

At the Thirteenth Annual General Meeting held on 30 December 2008, the shareholders approved a first and final single tier dividend of 5 sen per ordinary share of RM0.50 each, amounting to RM15,583,863 paid on 27 March 2009 in respect of the financial year ended 30 June 2008.

8. 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 2008.

9. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 March 2009.

10. Changes in Composition of the Group

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

On 28 May 2009, the Company acquired 2,375,000 ordinary shares of USD1.00 each, representing 95% equity interest in PT Kinabalu Invesdag Indonesia (PT Kinabalu), a company incorporated in Indonesia, for a total cash consideration of USD2,375,000.

The acquisition of PT Kinabalu has resulted in the acquisition of 90.25% interests each in PT Kalsum Pratama Perkasa and PT Gerbang Meranti Agrobisnis by the Company, both companies are incorporated in Indonesia, for a total cash consideration of Rps35,577 million.

11. 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 March 2009 is as follows:

	RM'000
Approved and contracted for	13,089

12. 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 31 March 2009 amounted to approximately RM392 million.

13. Subsequent Events

There were no material events subsequent to the end of the current quarter.

14. Performance Review

For the period under review, the revenue of the Group has decreased by RM1,221,621,000 or 51% from RM2,397,860,000 in Q3 FYE2008 to RM1,176,239,000 in the current quarter. This was mainly due to the decrease in palm products prices and sales volume in the current quarter compared to Q3 FYE2008. The average CPO price traded for Q3 FYE2008 was RM2,660 per MT as compared to RM2,028 per MT in Q3 FYE2009.

Revenue from the Group's China operations for the period under review has decreased by RM624,288,000 or 84% to RM122,668,000, as compared to RM746,956,000 in Q3 FYE2008. The significant decrease was mainly due to the decrease of sales in palm oil products, shortening/margarine products and seasonal trading of refined soya bean oil produced by the subsidiary's oils and fats processing facilities in Guangzhou.

15. Comment on Material Change in (Loss)/Profit Before Taxation

The Group's incurred a loss before taxation of RM30,169,000 in current quarter from a profit of RM68,152,000 in Q3 FYE2008. The decrease of RM98,321,000 or 144% was mainly due to the decrease in CPO prices, reduction in sales volume and margins as well as customers defaults on high priced contract provided for in the accounts.

16. Commentary on Prospects

The global economic slowdown make the current year a challenging period for business operations and the palm oil industry is of no exception. The industry is expected to be affected by slower palm oil products demand and poor palm products prices for the rest of the year.

For the Group's upstream plantation business, higher yield and cost efficiency will enable the Group to weather through this trying time. With regards to the Group's downstream manufacturing operation, the situation is expected to be stabilised in the second half of the year due to the more manageable price fluctuation of feed stock prices, currency exchange rate and the problems of customers defaults which have affected the business performance earlier.

The performance of the Group is expected to be stabilised and to turnaround in the following quarter. With the on going implementation of performance enhancement and cost control initiative by the Group, it is expected to weather through the economic downturn.

17. 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.

18. Income Tax Expense

	3 months ended		*9 months ended*	
	31.3.2009	***31.3.2008***	***31.3.2009***	***31.3.2008***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Current tax:				
Income tax	8,001	3,059	7,985	21,308
Deferred tax	(500)	(1,300)	(500)	(300)
Total income tax expense	7,501	1,759	7,485	21,008

19. Sales of Unquoted Investments and Properties

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

20. Quoted Securities

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

21. Corporate Proposals

There are no corporate proposals announced but not completed as at 25 May 2009.

22. Borrowings

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

	As at 31.3.2009 RM'000	***As at 30.6.2008 RM'000***
Short term borrowings		
- Secured	539,714	540,245
Long term borrowings		
- Secured	148,766	143,623
	688,480	683,868

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	12,399	45,370
	=======	=======

23. Off Balance Sheet Financial Instruments

	Notional amount as at 31.3.2009 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 period ended 31 March 2009 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 5 May 2009 (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	46,000	146,372	146,372

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.

24. 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. (PESB), 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. The arbitration commenced on 10 October 2007 and the hearing had been completed by November 2008. Both PESB and the contractor have filed their written submissions and are currently waiting for the award.

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 proceedings are in progress and there is no outcome yet. 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 6,000 MT of palm oil products (value about RM13 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. The hearing date of this case has yet to be fixed.

v) A buyer filed a claim against DMGZ, the Group's 51% owned subsidiary, for a sum of approximately RM1.7 million (RMB3.2 million). This sum of money was paid as deposits for the purchase of refined soya bean oil. DMGZ has deemed the buyer defaulted the contracts and forfeited these deposits in April 2008 when the buyer failed to pay the additional deposit as market price dropped more than 10% following the terms in the sales agreement. However, the buyer wrote to DMGZ on 5 November 2008 informing the cancellation of these contracts and demand to return the said sum of money. Legal proceeding is in progress.

vi) DMGZ, the Group's 51% owned subsidiary, is challenging a claim of 500 MT of palm oil product (current value about RM1 million) from a third party who is claiming ownership of the cargo from a DMGZ's buyer. DMGZ contenting that the cargo in question is no longer available as it had already been released earlier to the buyer.

Other than the above, there were no changes in material litigation, including the status of pending material litigation since the last annual balance sheet date of 30 June 2008.

25. Dividend Payable

No interim dividend has been declared for the financial period ended 31 March 2009.

26. (Loss)/Earnings Per Share

(a) Basic

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/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		***9 months ended***	
	31.3.2009	***31.3.2008***	***31.3.2009***	***31.3.2008***
(Loss)/profit for the period attributable to ordinary equity holders of the parent (RM'000)	(30,538)	39,767	(78,547)	115,312
Weighted average number of ordinary shares in issue ('000)	311,677	311,457	311,677	310,935
Basic (loss)/earnings per share (sen)	(9.80)	12.77	(25.20)	37.09

(b) Diluted

For the purpose of calculating diluted (loss)/earnings per share, the (loss)/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		*9 months ended*	
	31.3.2009	***31.3.2008***	***31.3.2009***	***31.3.2008***
(Loss)/profit for the period attributable to ordinary equity holders of the parent (RM'000)	(30,538)	39,767	(78,547)	115,312
Weighted average number of ordinary shares in issue ('000):	311,677	311,457	311,677	310,935
Effect of dilution: Share options	5,491	7,843	6,656	8,033
Adjusted weighted average number of ordinary shares in issue and issuable	317,168	319,300	318,333	318,968
Diluted (loss)/earnings per share (sen)	(9.63)	12.45	(24.67)	36.15

27. 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 May 2009.