1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of buildings and plantation infrastructure 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 2009. 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 2009.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2009 was not qualified.

3. Segmental Information

Segmental information for the current financial year ended 30 June 2010 is as followed:

	3 months ended		***12 months ended***	
	30.6.2010 RM'000	***30.6.2009 RM'000***	***30.6.2010 RM'000***	***30.6.2009 RM'000 (Audited)***
Segment Revenue				
Oil palm plantations and palm and soya bean product processing	264,021	378,897	1,138,628	1,552,312
Trading of industrial products	1,877	1,952	6,791	9,224
Biomass energy	2,341	2,218	9,147	13,113
Oleochemical products	43,852	13,110	109,764	15,735
Total revenue including inter-segment sales	312,091	396,177	1,264,330	1,590,384
Elimination of inter-segment sales	(4,592)	(3,884)	(15,632)	(21,852)
Total	307,499	392,293	1,248,698	1,568,532
Segment Results				
Oil palm plantations and palm and soya bean product processing	17,065	12,022	18,219	(70,524)
Trading of industrial products	-	23	45	86
Biomass energy	314	(1,101)	525	891
Oleochemical products	(926)	(4,768)	(19,906)	(17,896)
	16,453	6,176	(1,117)	(87,443)
Eliminations	-	-	-	-
Total	16,453	6,176	(1,117)	(87,443)

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 year ended 30 June 2010 except as disclosed in Note 10.

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 Fourteenth Annual General Meeting held on 30 December 2009, the shareholders approved a first and final single tier dividend of 2 sen per ordinary share of RM0.50 each, amounting to RM6,233,545 paid on 29 March 2010 in respect of the financial year ended 30 June 2009.

8. Carrying Amount of Revalued Assets

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

9. 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 2010.

10. Changes in Composition of the Group

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

(a) On 23 October 2009, the Company acquired the remaining 49% equity interest in Dongma (Guangzhou Free Trade Zone) Oleochemicals Co. Ltd. ("DMO") for a total cash consideration of USD10.838 million (approximately RM36.64 million); and

(b) On 15 December 2009, the Company acquired the remaining 49% equity interest in Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. ("DMGZ") for a total cash consideration of USD13.004 million (approximately RM44.12 million).

As a result of these Acquisitions, both DMO and DMGZ became wholly-owned subsidiaries of the Company. On the date of acquisition, the carrying value of the additional interests acquired was RM41.39 million. The difference between the consideration and the book value of the interest acquired of RM39.37 million is reflected in equity as premium paid on acquisition of minority interests.

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 30 June 2010 is as follows:

	RM'000
Approved and contracted for	34,412

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 30 June 2010 amounted to approximately RM409 million.

13. Subsequent Events

There were no material events subsequent to the end of the current quarter, except as disclosed in Note 21.

14. Performance Review

For the period under review, revenue of the Group has decreased by RM84,794,000 or 22% from RM392,293,000 in Q4 FYE2009 to RM307,499,000 in Q4 FYE2010. The decrease was mainly due to the reduction of sales volume for refined palm and kernel products in Q4 FYE2010 as compare to Q4 FYE2009. The average CPO price traded for FYE2009 was RM1,886 per MT as compared to RM2,315 per MT in FYE2010.

Revenue from the Group's China operations for the year under review has increased by RM50,944,000 or 31% to RM216,579,000, compared to RM165,635,000 in year ended FYE2009. The increase was mainly due to the sales contributed from the new oleochemical plant operation. The oleochemical sales in FYE2010 was RM109,764,000 compared to RM15,734,000 in FYE2009.

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

The Group's profit before taxation in the current quarter was RM17,465,000 as compared to a loss of RM9,189,000 in the same period in Q4 FYE2009 . The improvement was mainly due to the increase in CPO prices and normalisation of palm oil trading conditions.

16. Commentary on Prospects

With the Group's on going implementation of rationalisation exercise, performance enhancement and cost control initiative, its performance is expected to improve further going forward.

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		*12 months ended*	
	30.6.2010	*30.6.2009*	*30.6.2010*	*30.6.2009*
	RM'000	*RM'000*	*RM'000*	*RM'000*
				(Audited)
Current income tax:				
Malaysian income tax	(5,958)	(1,025)	2,344	6,960
Deferred tax	6,970	(14,340)	3,970	(14,840)
Total income tax expense	1,012	(15,365)	6,314	(7,880)

The effective tax rate for the current quarter was lower than the statutory income tax rate principally due to the availability of unabsorbed capital 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.

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 August 2010, except that the Board of Directors of the Company, had on 4 February 2010, announced that the Company, through its wholly owned subsidiary Aman Bersatu Sdn. Bhd. ("ABSB"), entered into a sale and purchase agreement with Dataran Indah Jaya Sdn. Bhd. ("DIJSB"), wherein DIJSB shall sell and ABSB shall purchase a leasehold land held under Country Lease No. 095327147 in the District of Kinabatangan, Sabah of a total area measuring 1,360 hectares for a total cash consideration of RM83.30 million ("Proposed Acquisition").

The Proposed Acquisition is subject to and conditional upon approvals being obtained from the following:
(i) the shareholders of the Company;
(ii) consent from the relevant authorities; and
(iii) any other relevant parties, if required.

The Company had obtained the shareholders approval at an extraordinary general meeting convened on 12 May 2010 and the Proposed Acquisition is now only pending for the consent to be obtained from the relevant authorities.

The Proposed Acquisition is not conditional upon any corporate exercise undertaken or to be undertaken by the Company and is expected to be completed in the first quarter of FYE2011.

22. Borrowings

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

	As at 30.6.2010 RM'000	*As at 30.6.2009 RM'000 (Audited)*
Short term borrowings		
- Secured	635,503	611,964
Long term borrowings		
- Secured	63,851	88,448
	699,354	700,412

Included in long term secured borrowings are RM60 million nominal value of Sukuk Ijarah.

Borrowings denominated in foreign currency:

	USD '000	RM '000 equivalent
United States Dollars	8,646	28,165
	=======	=======

23. Off Balance Sheet Financial Instruments

	Notional amount as at 30.6.2010 RM '000
Contingent liabilities	-

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 2010 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 August 2010 (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	4,813	15,459	15,459

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) 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 completed in November 2008.

The Arbitrator delivered his award on 15 July 2009 and in his final award he found both parties were guilty of breaches of contract, the consequences of which both must accordingly bear according to its relative seriousness. The contractor has been awarded a counterclaim of RM420,087.25 whereby PESB is entitled to forfeit the remainder of the contract sum of RM950,000. PESB has decided to file a motion to the high court to set aside certain award given to the contractor pursuant to Section 24 (2) of the Arbitration Act, 1952 (the Act) or alternatively certain paragraph of the award be remitted for the reconsideration of the Learned Arbitrator pursuant to Section 23 (1) of the Act.

ii) A subsidiary of the Group, Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), a bulking tank operator in China, is disputing the demand for delivery 2500mt of refined palm oil product with market value of RM12 million (RMB24.8 million) from a customer, as DMGZ contending that the customer has no legal right to claim as the relevant sales contract has been cancelled earlier. On 29 June 2009, judgement was given in favour of the Plaintiff and DMGZ is in the process of filing its appeal. Legal proceeding is still ongoing.

iii) DMGZ, a subsidiary of the Group, is challenging a claim of 500mt of palm oil product (market value about RM1.75 million) from a third party who is claiming ownership of the cargo from a DMGZ's buyer. DMGZ contending that the cargo in question is no longer available as it has already been released earlier to the buyer.

iv) An import/export agent filed a claim on 26 May 2009 against DMGZ, a subsidiary of the Group, for releasing 4,500mt of RBD OLN without their authorisation. However, DMGZ contended that proper authorisation has been received for the release of goods. Legal proceeding is now in progress.

v) On 15 April 2010, a subsidiary of the Group, Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), received a claim to deliver 1,700mt of refined palm oil product with market value of RM8 million (RMB17.46 million) from the customer. The customer also claiming for interest loss due to non-delivery of goods amounting to approximately RM1 million (RMB2.5 million) calculated up to the date of affidavit. The plaintiff claimed that his agent stored the oil in DMGZ's tank but DMGZ contended that the oil stored by his agent has already been despatched to their customers based on the said agent's instruction. Legal proceeding is now in progress.

vi) A customer of Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), a subsidiary of the Group, is claiming approximately RM450,000 (RMB913,000) as excess payment to DMGZ. However, DMGZ countersued the customer on 24 June 2010 for reimbursement of import duty and valued added tax as well as storage rental totalling RM985,000 (RMB2,017,917.12) and the customer is to pay to DMGZ the differential of RM530,000 (RMB1,104,917.12) after netting the abovementioned excess payment. Legal proceeding is now in process.

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 2009.

25. Dividend Payable

No interim dividend has been declared for the financial year ended 30 June 2010.

26. Earnings/(Loss) Per Share

(a) Basic

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) 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*	
	30.6.2010	***30.6.2009***	***30.6.2010***	***30.6.2009 (Audited)***
Profit/(loss) for the period/year attributable to ordinary equity holders of the parent (RM'000)	16,526	7,797	4,387	(70,750)
Weighted average number of ordinary shares in issue ('000)	311,677	311,677	311,677	311,677
Basic earnings/(loss) per share (sen)	5.30	2.50	1.41	(22.70)

(b) Diluted

For the purpose of calculating diluted earnings/(loss) per share, the profit/(loss) 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*	
	30.6.2010	***30.6.2009***	***30.6.2010***	***30.6.2009 (Audited)***
Profit/(loss) for the period/year attributable to ordinary equity holders of the parent (RM'000)	16,526	7,797	4,387	(70,750)
Weighted average number of ordinary shares in issue ('000):	311,677	311,677	311,677	311,677
Effect of dilution: Share options	5,374	5,873	5,704	6,458
Adjusted weighted average number of ordinary shares in issue and issuable	317,051	317,550	317,381	318,135
Diluted earnings/(loss) per share (sen)	5.21	2.46	1.38	(22.24)

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 27 August 2010.