1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the revaluation of land, buildings and plantation infrastructure included within property, plant and equipment and biological assets.

The condensed consolidated 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011. These explanatory notes attached to the condensed consolidated 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 2011.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2011, except for the adoption of the following Amendments to FRSs, IC Interpretation and Amendments to IC Interpretation:

On 1 July 2011, the Group adopted the following Amendments to FRSs, IC Interpretation and Amendments to IC Interpretation mandatory for annual financial periods beginning on or after 1 July 2011

Effective for financial periods beginning on or after 1 January 2011
- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
- Amendments to FRS 1: Additional Exception for First-time Adopters
- Amendments to FRS 2: Group Cash – Settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- IC Interpretation 4: Determining whether an Arrangement contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- Amendments to FRSs and IC Interpretation 13 contained in the documents entitled "Improvements to FRSs (2010)"
- Technical Release 3: Guidance on Disclosures of Transition to IFRSs
- Technical Release i4: Shariah Compliant Sale Contracts

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Effective for financial periods beginning on or after 1 July 2011

- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirements

The adoption of Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations do not have any significant financial impacts on the results and the financial position of the Group for the current quarter.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2011 was not qualified.

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 2012.

5. Changes in Estimates

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

6. Comments About Seasonal or Cyclical Factors

The seasonal or cyclical factors affecting the results of the operations of the Group are general climatic conditions, age profile of oil palms and the cyclical nature of annual production.

7. Dividend Payable

At the Sixteenth annual general meeting held on 16 December 2011, the shareholders approved a first and final single tier dividend of 10 sen per ordinary share of RM0.50 each, amounting to RM31,167,726.40 paid on 9 March 2012 in respect of the financial year ended 30 June 2011 (2010: 2 sen per ordinary share of RM0.50 each).

8. Segmental Information

Segmental information for the current financial period ended 31 March 2012 is as followed:

	Oil palm plantations and palm products processing		*Oleochemical Products*		*Others*		*Adjustments and eliminations*		*Per consolidated financial statements*	
	31.03.2012	*31.03.2011*	*31.03.2012*	*31.03.2011*	*31.03.2012*	*31.03.2011*	*31.03.2012*	*31.03.2011*	*31.03.2012*	*31.03.2011*
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
3 Months Ended 31 March										
Revenue										
External Sales	215,285	178,942	47,311	64,228	-	-	-	-	262,596	243,170
Inter-segment	-	-	-	-	1,606	2,586	(1,606)	(2,586)	-	-
Total Revenue	215,285	178,942	47,311	64,228	1,606	2,586	(1,606)	(2,586)	262,596	243,170
Result										
Interest income	489	217	7	21	-	-	-	-	496	238
Depreciation	5,265	4,083	1,726	1,606	471	470	-	-	7,462	6,159
Segment profit/(loss)	6,173	11,902	(3,954)	2,929	51	242	(51)	(242)	2,219	14,831
9 Months Ended 31 March										
Revenue										
External Sales	779,353	666,013	165,843	187,655	-	-	-	-	945,196	853,668
Inter-segment	-	-	-	-	6,415	8,014	(6,415)	(8,014)	-	-
Total Revenue	779,353	666,013	165,843	187,655	6,415	8,014	(6,415)	(8,014)	945,196	853,668
Result										
Interest income	805	452	23	33	-	-	-	-	828	485
Depreciation	16,591	14,587	5,169	4,827	1,410	1,413	-	-	23,170	20,827
Segment profit/(loss)	44,077	53,687	(8,945)	6,318	133	356	(133)	(356)	35,132	60,005

9. Carrying Amount of Revalued Assets

The valuations of land, buildings and plantation infrastructure included within property, plant and equipment and biological assets have been brought forward without amendment from the financial statements for the financial year ended 30 June 2011.

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 March 2012.

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 capital commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 March 2012 is as follows:

	RM'000
Approved and contracted for	23,868

13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

The Company has provided corporate guarantees to secure banking facilities granted its subsidiary companies. The amount utilised and outstanding as at 31 March 2012 amounted to approximately RM391million.

14. Subsequent Events

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

15. Performance Review

Oil palm plantations and palm products processing

This major segment of the Group has contributed 79% of the Group's revenue. For the current quarter under review, the Group recorded revenue of RM215,285,000 compared with RM178,942,000 reported in the corresponding period of the preceding year, an increase of RM36,343,000 or 20%. The increase was mainly due to the increase in palm products' sales volume in the current quarter compared to corresponding period of the preceding year.

The average CPO price traded for the current quarter was RM3,181 per MT as compared to RM3,441 per MT in Q3 FYE2011.

Oleochemical

This division has accounted for 18% of the total Group's revenue for the quarter. Revenue from this division for the 9-months period under review has decreased by RM21,812,000 or 12% to RM165,843,000, as compared to RM187,655,000 in 9-months period ended FYE2011. The decrease is mainly due to the reduction in sales volume as well as competitive refining margin.

Others

Others segments' results are insignificant to the Group.

16. Comment on Material Change in Profit Before Tax

Profit before tax of the Group has decreased by RM13,926,000 or 75% from RM18,651,000 in Q3 FYE2011 to RM4,725,000 in Q3 FYE2012. The decrease was principally attributed by the following:

a) competitive refining margin;
b) contribution from oil mill division is less satisfactory which is caused by the modification and upgrading of certain oil mill production processes. However, the management expects such adverse performance of oil mill to be temporary and its performance will be improved upon the completion of the upgrading and modification exercise; and
c) foreign exchange loss of approximately RM4.3 million compared to foreign exchange gain of approximately RM5.5 million in the corresponding quarter.

17. Profit before tax

Profit before tax for the period is arrived at after crediting/(charging):

	3 months ended		***9 months ended***	
	31.03.2012 RM'000	***31.03.2011 RM'000***	***31.03.2012 RM'000***	***31.03.2011 RM'000***
Interest income	496	238	828	485
Other income	(612)	6,188	2,586	7,593
Interest expense	(5,407)	(6,681)	(15,868)	(21,721)
Gain on disposal of property, plant & equipment	-	-	190	-
Depreciation on property, plant & equipment	(7,462)	(4,708)	(23,170)	(20,827)
Provision for inventories written off	(3)	(6)	(8)	(38)
Realised foreign exchange (loss)/gain	(4,328)	5,512	(2,759)	5,321

18. Commentary on Prospects

Due to the steady prices of palm products, the Board of Directors expects the results of the Group for the current financial year to be encouraging.

19. 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.

20. Income Tax Expense

	3 months ended		***9 months ended***	
	31.03.2012	***31.03.2011***	***31.03.2012***	***31.03.2011***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Current income tax:				
- Malaysian income tax	(2,506)	(4,320)	(10,806)	(14,820)
Deferred tax	-	500	1,000	1,000
Total income tax expense	(2,506)	(3,820)	(9,806)	(13,820)

The effective tax rate for the current quarter was lower than the statutory income tax rate principally due to the availability of capital, agricultural and reinvestment allowances and double tax deduction of certain subsidiary companies for set-off against the current period's taxable profit for its plantations and palm product processing operations.

21. Corporate Proposals

There are no corporate proposals announced but not completed as at 25 May 2012.

22. Retained Earnings

The breakdown of retained profits of the Group as at 31 March 2012 is as follows:

	As at 31.03.2012 RM'000	***As at 30.6.2011 RM'000 (Audited)***
Total retained earnings of the Company and its subsidiaries:		
- Realised	579,698	608,110
- Unrealised	(70,638)	(71,638)
	509,060	536,472
Less: Consolidation adjustments	(168,119)	(199,603)
Total group retained earnings as per consolidated accounts	340,941	336,869

23. Borrowings

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

	As at 31.03.2012 RM'000	*As at 30.6.2011 RM'000 (Audited)*
Short term borrowings		
- Secured	554,733	544,014
Long term borrowings		
- Secured	163,708	178,664
	718,441	722,678

Included in long term secured borrowings are RM40 million and RM124 million nominal value of Sukuk Ijarah and term loan respectively.

Borrowings denominated in foreign currency:

	USD '000	**RMB '000**	**RM'000 equivalent**
United States Dollars	111,516	-	342,797
Renminbi	-	20,490	9,987
Total	111,516	20,490	352,784

24. Material Litigation

On 15 April 2010, DMGZ received a claim to deliver 1,700 metric tonnes of refined palm oil product with market value of RM6.3 million (RMB13 million) from a third party. The plaintiff also claiming for interest loss due to non-delivery of goods amounting to approximately RM1.21 million (RMB2.5 million) calculated up to the date of affidavit. The plaintiff claimed that the agent stored the oil in DMGZ's tank but DMGZ contended that the oil stored by the agent has already been despatched to their customers based on the said agent's instruction. Legal proceeding is now in progress.

Other than the above, there were no material changes in material litigation, including the status of pending material litigation since the date of last annual statement of financial position date of 30 June 2011.

25. Dividend

No interim dividend has been declared for the financial year ending 30 June 2012.

26. Earnings Per Share

(a) Basic

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

	3 months ended		***9 months ended***	
	31.03.2012	***31.03.2011***	***31.03.2012***	***31.03.2011***
Profit for the period attributable to owners of the parent (RM'000)	2,230	14,884	35,240	60,253
Weighted average number of ordinary shares in issue ('000)	311,677	311,677	311,677	311,677
Basic earnings per share (sen)	0.72	4.78	11.31	19.33

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners 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***	
	31.03.2012	***31.03.2011***	***31.03.2012***	***31.03.2011***
Profit for the period attributable to owners of the parent (RM'000)	2,230	14,884	35,240	60,253
Weighted average number of ordinary shares in issue ('000):	311,677	311,677	311,677	311,677
Effect of dilution: Share options	-	6,061	-	5,738
Adjusted weighted average number of ordinary shares in issue and issuable	311,677	317,738	311,677	317,415
Diluted earnings per share (sen)	0.72	4.68	11.31	18.98

27. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2012.