



Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 December 2012

	Note	3 months Ended		6 months Ended	
		31.12.12 RM'000	31.12.11 RM'000	31.12.12 RM'000	31.12.11 RM'000
Revenue	8	563,952	322,749	919,464	682,600
Cost of Sales		(510,242)	(283,919)	(827,739)	(595,906)
Gross Profit		53,710	38,830	91,725	86,694
Other Items of Income					
Interest Income		83	127	164	332
Other Operating Income		400	2,062	1,350	3,198
Other Items of Expenses					
Selling Expenses		(20,993)	(11,438)	(33,765)	(21,851)
Administrative Expenses		(9,779)	(8,675)	(19,411)	(17,699)
Finance Costs		(6,758)	(5,151)	(14,643)	(10,461)
Profit Before Tax	8	16,663	15,755	25,420	40,213
Income Tax Expense	20	(3,850)	(3,190)	(3,393)	(7,300)
Profit For The Period		12,813	12,565	22,027	32,913
Other Comprehensive (loss)/Profit:					
Loss on Fair Value Changes in Derivatives		-	(2,502)	-	(2,461)
Foreign Currency Translation		(425)	7,253	(9,482)	18,396
		(425)	4,751	(9,482)	15,935
Total Comprehensive Profit For The Period		12,388	17,316	12,545	48,848
Profit/(Loss) For The Period Attributable To:					
Owners of the Company		12,921	12,607	22,174	33,010
Non-controlling Interests		(108)	(42)	(147)	(97)
		12,813	12,565	22,027	32,913
Total Comprehensive Profit/(Loss) Attributable To:					
Owners of the Company		12,496	17,358	12,692	48,945
Non-controlling Interests		(108)	(42)	(147)	(97)
		12,388	17,316	12,545	48,848
Earnings Per Share Attributable to Owners Of The Company (Sen Per Share):					
		3 months Ended	3 months Ended	6 months Ended	6 months Ended
		31.12.12	31.12.11	31.12.12	31.12.11
Basic	26 (a)	4.15	4.05	7.11	10.59
Diluted	26 (b)	4.15	4.05	7.11	10.59

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statement year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position
As At 31 December 2012

	Note	As at 31.12.12 RM'000	As at 30.06.12 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	1,149,777	1,160,459
Biological assets	9	691,323	688,462
Investment properties		9,732	9,732
Land use rights		15,273	16,014
Deferred tax assets		2,406	2,406
Other receivables		17,914	18,985
		<u>1,886,425</u>	<u>1,896,058</u>
Current Assets			
Inventories		160,061	172,317
Derivative assets		2,283	2,283
Trade receivables		144,040	77,985
Other receivables		35,730	37,909
Tax recoverable		14,656	14,913
Cash and bank balances		100,020	129,846
		<u>456,790</u>	<u>435,253</u>
TOTAL ASSETS		<u><u>2,343,215</u></u>	<u><u>2,331,311</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		155,839	155,839
Share premium		53,727	53,727
Retained earnings	22	362,724	340,550
Other reserves		796,129	805,611
		<u>1,368,419</u>	<u>1,355,727</u>
Non-controlling interests		<u>139</u>	<u>286</u>
Total Equity		<u><u>1,368,558</u></u>	<u><u>1,356,013</u></u>
Non-Current Liabilities			
Borrowings	23	121,217	153,982
Deferred tax liabilities		140,890	141,369
		<u>262,107</u>	<u>295,351</u>
Current Liabilities			
Borrowings	23	643,358	612,230
Trade payables		54,184	47,511
Other payables		15,008	20,206
		<u>712,550</u>	<u>679,947</u>
Total Liabilities		<u><u>974,657</u></u>	<u><u>975,298</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,343,215</u></u>	<u><u>2,331,311</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statement

Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 December 2012

	Non-Distributable		Distributable		Attributable to Owners of the Company			Attributable to Owners of the Company		Equity Attributable to Owners of the Company, Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Other Reserves Total RM'000	Asset Revaluation Reserve RM'000	Fair Value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Equity Attributable to Owners of the Company, Total RM'000				
At 1 July 2011	155,839	53,727	336,869	658,034	658,973	4,193	(5,132)	1,204,469	454	1,204,923		
Total comprehensive income	-	-	33,010	15,935	-	(2,461)	18,396	48,945	(97)	48,848		
At 31 December 2011	155,839	53,727	369,879	673,969	658,973	1,732	13,264	1,253,414	357	1,253,771		
At 1 July 2012	155,839	53,727	340,550	805,611	787,145	4,193	14,273	1,355,727	286	1,356,013		
Total comprehensive income	-	-	22,174	(9,482)	-	-	(9,482)	12,692	(147)	12,545		
At 31 December 2012	155,839	53,727	362,724	796,129	787,145	4,193	4,791	1,368,419	139	1,368,558		

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statements of Cash Flows
For The Period Ended 31 December 2012

	6 months Ended	
	31.12.12 RM'000	31.12.11 RM'000
OPERATING ACTIVITIES		
Profit before taxation	25,420	40,213
Adjustments for:		
Depreciation of property, plant and equipment	16,513	15,708
Gain on disposal of property, plant and equipment	(85)	(190)
Inventories written off	51	5
Amortisation of Sukuk Ijarah	125	125
Interest expense	14,518	10,336
Interest income	(164)	(332)
Operating cash flows before working capital changes	56,378	65,865
Changes in working capital:		
Decrease in inventories	12,205	64,374
Movement in receivables	(62,805)	(11,073)
Movement in payables	1,475	(28,213)
Total changes in working capital	(49,125)	25,088
Cash flows from operations	7,253	90,953
Income tax paid	(3,886)	(12,612)
Interest paid	(14,643)	(10,461)
Net cash flows (used in)/generated from operating activities	(11,276)	67,880
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,090)	(16,791)
Plantation development expenditure	(2,861)	(5,146)
Proceeds from disposal of property, plant and equipment	85	422
Interest received	164	332
Net cash flows used in investing activities	(7,702)	(21,183)
FINANCING ACTIVITIES		
Drawdown of short term revolving credits	103,401	82,819
Repayment of short term revolving credits	(111,274)	(104,936)
Drawdown of term loans	21,496	23,942
Repayment of term loans	(30,518)	(14,678)
Drawdown of hire purchase financing	3,360	4,806
Repayment of hire purchase financing	(1,500)	(3,560)
Drawdown of bankers' acceptances	1,068,101	1,039,370
Repayment of bankers' acceptances	(1,054,703)	(1,071,631)
Net cash flows used in financing activities	(1,637)	(43,868)
Net decrease in cash and cash equivalents	(20,615)	2,829
Effect of exchange rate differences	(9,211)	(7,993)
Cash and cash equivalents at beginning of period	129,846	118,884
Cash and cash equivalents at end of period	100,020	113,720

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

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 2012. 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 2012.

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 2012, except for the adoption of the following new/amendments to FRSs:

On 1 July 2012, the Group adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 July 2012

Effective for financial periods beginning on or after 1 January 2012

- FRS 124: Related Party Disclosures
- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- Amendments to FRS 112: Deferred Tax – Recovery of Underlying Assets
- Amendments to FRS 7: Transfers of Financial Assets

Effective for financial periods beginning on or after 1 March 2012

- Amendments to FRS 9 (IFRS 9(2009)), FRS 9(IFRS 9(2010)), and FRS 7: Mandatory Effective Date of FRS 9 and Transition Disclosures

Effective for financial periods beginning on or after 1 July 2012

- Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The adoption of the above new/amended FRSs do not have any significant financial impacts on the results and the financial position of the Group for the current quarter.

As stated in our audited financial statements for the financial year ended 30 June 2012, the Group has yet to adopt the Malaysian Financial Reporting Standards (“MFRS”) framework, but has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2015.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2012 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 current quarter under review.

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

The shareholders approved a first and final single tier dividend of 5 sen per ordinary share (2011: 10 sen per ordinary share) of RM0.50 each at the Seventeen Annual General Meeting held on 19 December 2012. The dividend is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967. The dividend of RM15,583,863.20 will be payable on 13 March 2013.

A Depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the Depositors' Securities Account before 4:00pm on 18 February 2013 in respect of the transfers; and
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.



Notes to the Condensed Consolidated Interim Financial Statements – 31 December 2012

8. Segmental Information

Segmental information for the current financial period ended 31 December 2012 is as follows:

	<i>Oil palm plantations and palm products processing</i>		<i>Oleochemical Products</i>		<i>Others</i>		<i>Adjustments and eliminations</i>		<i>Per consolidated financial statements</i>	
	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
3 Months Ended 31 December										
Revenue										
External Sales	501,837	263,480	62,115	59,269	-	-	-	-	563,952	322,749
Inter-segment	-	-	2,203	2,359	2,203	2,359	(2,203)	(2,359)	-	-
Total Revenue	501,837	263,480	62,115	59,269	2,203	2,359	(2,203)	(2,359)	563,952	322,749
Results										
Interest income	73	119	10	8	-	-	-	-	83	127
Depreciation	6,337	5,409	1,821	1,768	470	470	-	-	8,628	7,647
Segment profit/(loss)	16,995	17,951	(262)	(2,222)	(70)	26	-	-	16,663	15,755
6 Months Ended 31 December										
Revenue										
External Sales	802,265	564,068	117,199	118,532	-	-	-	-	919,464	682,600
Inter-segment	-	-	4,268	4,809	4,268	4,809	(4,268)	(4,809)	-	-
Total Revenue	802,265	564,068	117,199	118,532	4,268	4,809	(4,268)	(4,809)	919,464	682,600
Results										
Interest income	149	316	15	16	-	-	-	-	164	332
Depreciation	11,997	11,326	3,575	3,443	941	939	-	-	16,513	15,708
Segment profit/(loss)	29,539	45,122	(3,892)	(4,991)	(227)	82	-	-	25,420	40,213

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 2012.

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 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 December 2012 is as follows:

Approved and contracted for	<i>RM'000</i> <u>11,955</u>
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13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

The Company has provided corporate guarantees to secure banking facilities granted to its subsidiary companies. The amount utilised and outstanding as at 31 December 2012 amounted to approximately RM465 million.

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 87% of the Group's revenue. For the current quarter under review, the Group recorded revenue of RM501,837,000 compared with RM263,480,000 reported in the corresponding period of the preceding year, an increase of RM238,357,000 or 90%. The increase is principally attributed to the increase in sales volume of palm products, offset with the effect of lower realised average selling prices in the current quarter compared to the corresponding period of the preceding year.

The average CPO price traded for the current quarter was RM2,113 per MT as compared to RM3,153 per MT in Q2 FYE2012.

Oleochemicals

This division has accounted for 13% of the total Group's revenue for the current quarter. Revenue from this division for the current quarter has increased by RM2,846,000 or 5% to RM62,115,000, as compared to RM59,269,000 in the corresponding period of the preceding year. The increase is mainly due to the increase in sales volume, offset with the decrease in average sales prices of the oleochemical products.

Others

Others segments' results are insignificant to the Group.

16. Comment on Material Change in Profit Before Tax

Profit before tax of the Group during the quarter has increased by RM908,000 or 6%. The increase was principally attributed by the following:

- a) higher sales volume of palm products offset with weaker selling prices realised; and
- b) higher selling expenses which is in line with the increase in sales volume coupled with higher unit freight charges.

17. Profit before tax

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

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Interest income	83	127	164	332
Other income	400	2,062	1,350	3,198
Interest expense	(6,758)	(5,151)	(14,643)	(10,461)
Depreciation on property, plant & equipment	(8,628)	(7,647)	(16,513)	(15,708)
Inventories written off	(51)	(3)	(51)	(5)
Realised foreign exchange (loss)/gain	(42)	792	(79)	1,569

18. Commentary on Prospects

Due to the expected slow recovery of the global economy, the performance of the Group and the oil palm sector remain challenging. Nevertheless, the Board of Directors expects that it will perform satisfactorily with sustainable performances and remained steadfast to its commitment to consistently enhance shareholders' return.

The Board of Directors is cautiously optimistic that the prospects for the oil palm industry remain bright in light of various bullish demand factors and expected recovery of palm oil prices beginning early 2013.

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

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current income tax:				
- Malaysian income tax	(4,100)	(3,690)	(4,143)	(8,300)
Deferred tax	250	500	750	1,000
Total income tax expense	<u>(3,850)</u>	<u>(3,190)</u>	<u>(3,393)</u>	<u>(7,300)</u>

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 and certain expenses which are not deductible for tax purposes.

21. Corporate Proposals

There are no corporate proposals announced but not completed as at 25 February 2013.

22. Retained Earnings

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

	<i>As at</i> 31.12.2012 <i>RM'000</i>	<i>As at</i> 30.6.2012 <i>RM'000</i> <i>(Audited)</i>
Total retained earnings of the Company and its subsidiaries:		
- Realised	645,991	620,596
- Unrealised	(110,436)	(111,186)
	<u>535,555</u>	<u>509,410</u>
Less: Consolidation adjustments	(172,831)	(168,860)
Total group retained earnings as per consolidated accounts	<u><u>362,724</u></u>	<u><u>340,550</u></u>

23. Borrowings

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

Short term borrowings		
- Secured	643,358	612,230
Long term borrowings		
- Secured	121,217	153,982
	<u>764,575</u>	<u>766,212</u>

Included in long term secured borrowings are RM20 million and RM101 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	100,052	-	306,070
Renminbi	-	52,207	25,402
Total	<u>100,052</u>	<u>52,207</u>	<u>331,472</u>

24. Material Litigation

- i) On 18 March 1998, the Group is disputing a claim amounting to approximately RM8 million together with interests and costs from a commercial bank (“CB”) on two foreign currency forward contracts alleged to have been entered into by a subsidiary company.

In respect of the 1st foreign currency forward contract, judgment for the sum of RM2.6 million had been obtained by the CB on 24 March 1999. Subsequently, the Group filed a Notice of Appeal to the Court of Appeal and the Judge was found in favour of the Group. The CB was then ordered to refund the sum of RM3.2 million together with interests and costs to the Group.

In respect of the 2nd foreign currency forward contract, the CB is claiming for RM5 million together with interests and costs. The High Court Judge found in favour of the CB. However, the Group has applied for a stay of execution of the Judgment. The Court held that the execution of the Judgment be stayed provided that a sum of RM6.8 million (“Sum”) be deposited into an interest bearing account in the joint names of the CB and the Group’s solicitors. The said Sum shall be paid to the successful party after the disposal of the Appeal. The Group’s lawyers are of the opinion that the Group has a good prospect of succeeding in the Court of Appeal.

- ii) 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 claims that his 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 2012.

25. Dividend

No interim dividend has been declared for the financial year ending 30 June 2013.

26. Earnings Per Share

(a) Basic

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

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>
Profit for the period attributable to owners of the Company (RM’000)	12,921	12,607	22,174	33,010
Weighted average number of ordinary shares in issue (‘000)	311,677	311,677	311,677	311,677
Basic earnings per share (sen)	4.15	4.05	7.11	10.59

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the Company 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.

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2012</i>	<i>31.12.2011</i>	<i>31.12.2012</i>	<i>31.12.2011</i>
Profit for the period attributable to owners of the Company (RM'000)	12,921	12,607	22,174	33,010
Weighted average number of ordinary shares in issue ('000):	311,677	311,677	311,677	311,677
Effect of dilution: Share options	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	311,677	311,677	311,677	311,677
Diluted earnings per share (sen)	4.15	4.05	7.11	10.59

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 27 February 2013.