



Interim Report for the 3rd Quarter Ended 31 March 2007

(The figures have not been audited)

Condensed Consolidated Income Statements

	Note	Individual Quarter 31 March		Cumulative Quarter to date 31 March	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue		34,541	21,767	102,943	70,781
Operating expenses		(29,350)	(20,327)	(90,146)	(64,039)
Profit from operations		5,191	1,440	12,797	6,742
Interest income		4	77	26	83
Other income		177	58	469	248
Finance costs		(1,257)	(1,437)	(4,233)	(4,460)
Share of loss of associate			(202)		(202)
Profit/(loss) before taxation		4,115	(64)	9,059	2,411
Taxation	B5	296	(245)	(667)	(1,136)
Profit/(loss) after taxation		4,411	(309)	8,392	1,275
Attributable to :					
Equity holders of the parent		4,411	(309)	8,392	1,502
Minority interests		-	-	-	(227)
		4,411	(309)	8,392	1,275
Earning/(loss) per share attributable to equity holders of the parent (Sen)					
Basic	B13(a)	1.98	(0.15)	3.89	0.72
Diluted	B13(b)	1.98	(0.11)	3.89	0.78

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2006 and the accompanying notes attached to this interim financial statement)



Interim Report for the 3rd Quarter Ended 31 March 2007

(The figures have not been audited)

Condensed Consolidated Balance Sheets

	Note	As at Current Quarter ended 31-3-07 RM'000	As at Preceding Financial year 30-06-06 (Restated) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		117,644	116,287
Biological assets		91,866	89,768
Investment properties		17,427	17,999
Goodwill on consolidation		26,875	26,875
Current assets			
Inventories		4,475	2,442
Receivables		15,792	14,634
Tax Recoverable		913	2,162
Cash and bank balances		1,618	5,586
		22,798	24,824
Non-current assets held for sale		5,531	5,817
TOTAL ASSETS		282,141	281,570
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	A6(ii)	222,913	211,085
Reserves		(56,876)	(71,027)
		166,037	140,058
Non-current liabilities			
Borrowings	B9	62,996	48,234
ICULS	A6(i)	-	17,595
Deferred taxation		25,700	26,457
		88,696	92,286
Current liabilities			
Trade & Other Creditors		10,261	14,502
Overdraft & Short Term Borrowings	B9	17,147	34,718
Provision for taxation		-	6
		27,408	49,226
Total liabilities		116,104	141,512
TOTAL EQUITIES AND LIABILITIES		282,141	281,570
Net assets per share attributable to equity holders of the parent (RM)		0.75	0.66

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2006 and the accompanying notes attached to this interim financial statement)



Interim Report for the 3rd Quarter Ended 31 March 2007

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

	← Attributable to Equity Holders of the Parent →						
	← Non-Distributable →			Distributable			
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Accumulated losses RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
For the 3rd quarter ended 31 March 2007							
At 1 July 2006	211,085	(5)	12,049	(83,071)	140,058	-	140,058
Conversion of ICULS	11,828	-	5,901	-	17,729	-	17,729
Acquisition of treasury shares	-	(142)	-	-	(142)	-	(142)
Net profit for the period	-	-	-	8,392	8,392	-	8,392
At 31 March 2007	<u>222,913</u>	<u>(147)</u>	<u>17,950</u>	<u>(74,679)</u>	<u>166,037</u>	<u>-</u>	<u>166,037</u>
For the 3rd quarter ended 31 March 2006							
At 1 July 2005	207,933	-	10,479	(76,657)	141,755	1,830	143,585
Conversion of ICULS	2,208	-	1,098	-	3,306	-	3,306
Net profit for the period	-	-	-	1,502	1,502	(1,830)	(328)
At 31 March 2006	<u>210,141</u>	<u>-</u>	<u>11,577</u>	<u>(75,155)</u>	<u>146,563</u>	<u>-</u>	<u>146,563</u>

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2006 and the accompanying notes attached to this interim financial statement)



Interim Report for the 3rd Quarter Ended 31 March 2007

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	Cumulative Quarter to date 31 March	
	2007 RM'000	2006 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	9,059	2,411
Adjustments for non-cash items		
Loss on disposal of investment in subsidiary	-	57
Share of loss of associate	-	202
Depreciation	5,597	4,779
Amortisation of ICULS discounts	148	349
Operating profit before working capital changes	14,804	7,798
Working capital changes		
(Increase)/decrease in debtors	(1,158)	3,297
Decrease in creditors	(4,241)	(741)
Increase in stocks	(2,033)	(1,329)
Cash generated from operations	7,372	9,025
Tax paid	(647)	(1,654)
Tax refunded	466	-
Net cash generated from operating activities	7,191	7,371
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of treasury shares	(142)	-
Net cash inflow arising on disposal of subsidiary		137
Purchase of property, plant and equipment	(8,194)	(10,683)
Net cash used in investing activities	(8,336)	(10,546)
CASH FLOW FROM FINANCING ACTIVITIES		
Expenses paid on ICULS conversion	(14)	(5)
Drawdown on bank borrowings	338	3,096
Net cash generated from financing activities	324	3,091
Net decrease in cash and cash equivalents	(821)	(84)
Cash and cash equivalents as at beginning of the year	727	(1,534)
Cash and cash equivalents as at end of the quarter	(94)	(1,618)
Cash and cash equivalents comprise:		
Cash and bank balances	1,618	5,931
Bank overdraft	(1,712)	(7,549)
	(94)	(1,618)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2006 and the accompanying notes attached to this interim financial statement)



Notes To The Quarterly Report - 31 March 2007

A. MASB 26 - Paragraph 16

A1. Accounting Policies

The interim financial statements were unaudited and have been prepared in accordance with FRS 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2006.

The 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 2006.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2006 except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRS") which are effective for financial period beginning 1 July 2006 :

FRS 2 Share-based Payment
FRS 3 Business Combinations
FRS 5 Non-current Assets Held for Sale and Discontinued Operations
FRS 101 Presentation of Financial Statements
FRS 102 Inventories
FRS 108 Accounting Policies, Changes in Estimates and Errors
FRS 110 Events after the Balance Sheet Date
FRS 116 Property, Plant and Equipment
FRS 121 The Effects of Changes in Foreign Exchange Rates
FRS 127 Consolidated and Separate Financial Statements
FRS 128 Investment in Associates
FRS 131 Investment in Joint Ventures
FRS 132 Financial Instruments : Disclosure and Presentation
FRS 133 Earnings per share
FRS 136 Impairment of Assets
FRS 138 Intangible Assets
FRS 140 Investment Property

The adoption of FRS 102, 108, 110, 116, 121, 127, 128, 131, 132, & 133 do not have significant financial impact on the Group. The principal effects of changes in accounting policies resulting from the adoption of other new and revised FRSs are as follows :

(a) FRS 2 : Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets or equity instruments of the entity.

The Group operates an equity-settled, share-based compensation plan for the eligible employees and directors of the Group, known as Tanah Emas Employees' Share Option Scheme ("ESOS"). The adoption of FRS 2 has resulted in a change in accounting policy for staff costs of the Group arising from share options granted by the Company to eligible employees and directors of the Group pursuant to the ESOS. Prior to 1 January 2006, no compensation expense was recognised in the income statement for share options granted to eligible employees and directors of the Group. Upon the adoption of FRS 2, where the Group pays for services of its employees using share options, the fair value of the transaction is recognised as an expense in the income statement over the vesting period of the grants, with a corresponding increase in equity.



Notes To The Quarterly Report - 31 March 2007

Transitional provisions of FRS 2 must be applied to share options that were granted after 31 December 2004 and had not yet vested on 1 January 2006. The adoption of this FRS has not resulted in any financial impact to the Group as there were no new share options granted by the Group which remained unvested on 1 January 2006.

(b) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation and recognition of "negative goodwill" immediately in the income statement.

The balance of unamortised goodwill with a carrying value of RM26,875,000 is carried at cost less accumulated impairment losses as at 1 July 2006 and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in income statement and subsequent reversal is not allowed.

The "negative goodwill" which represents the excess of fair value of the net assets acquired over the consideration paid in a business combination, after reassessment, is now recognised immediately in the income statement as it arises. Previously, this was taken up as reserve on consolidation.

The reserve on consolidation of RM157 as at 1 July 2006 has been derecognised with a corresponding adjustments to the retained profits.

(c) FRS 5 : Non-current Assets Held for Sale and Discontinued Operations

The Group has applied FRS 5 prospectively in accordance with its transitional provisions which has resulted in a change in accounting policy on the recognition of non-current assets held for sale. An item is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through its continuing use. Immediately before classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRSs. Then, on initial classification as held for sale, the non-current assets are recognised at the lower of carrying amount and fair value less costs to sell. There was no financial impact to the Group as the assets were written down to their fair value as at 30 June 2006.

(d) FRS 101 : Presentation of Financial Statements

The adoption of the revised FRS101 has affected the presentation of minority interests, share of results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the Company and to minority interests.

The revised FRS 101 has also given rise to new classes of assets and liabilities which are required to be reported on the face of the consolidated balance sheet. As a result of this, "Plantation Development Expenditure" previously included in property, plant and equipment is now presented as "Biological Assets" on the face of the condensed consolidated balance sheets.



Notes To The Quarterly Report - 31 March 2007

(e) FRS 140: Investment Property

The adoption of this new FRS has resulted in a change in classification for certain properties previously classified as property, plant and equipment. These properties have been reclassified as investment properties as they are held to earn rentals or for capital appreciation or both, and not for use in the production or supply of goods and services or for administrative purposes. The Group has chosen to adopt the cost model and the investment properties are stated at cost less accumulated depreciation and impairment losses.

In accordance with the transitional provisions of FRS 140, the changes in respect of the above said classification have been accounted for by restating the following carrying amount as at 1 July 2006.

(f) Summary of restatement of balance sheet in accordance with the adoption of new/revised FRSs

The balance sheet as at 30 June 2006 has been restated in accordance with the adoption of new/revised FRSs as follows:

		As previously reported	Effect of adoption of new/revised FRSs	As restated
	Note	RM'000	RM'000	RM'000
Property, plant and equipment		229,871	(113,584)	116,287
Goodwill on consolidation	(b)	26,875	- *	26,875
Non-current assets held for sale	(c)		5,817	5,817
Biological assets	(d)	-	89,768	89,768
Investment property	(e)		17,999	17,999

* Negligible

A2. Disclosure of audit report qualification and status of matters raised

There was no qualification in the audit report of the preceding annual financial year.

A3. Seasonal or Cyclical Phases

The production of fresh fruit bunches is seasonal in nature as the yield rises to a peak in the second half of the calendar year.

A4. Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no items affecting assets, liabilities, equity, net income, or cash flow that were unusual in nature, size, or incidence during the financial period under review.

A5. Material changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect on the current interim period.



Notes To The Quarterly Report - 31 March 2007

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resales or repayments of debt and equity securities during the financial period, except as disclosed below:

(i) 2001/2006 2% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at nominal value of RM1.00 each

	RM'000
As at 1 July 2006	17,743
Converted into Ordinary Shares of RM1.00 each in July 2006	(529)
Converted into Ordinary Shares of RM1.00 each in August 2006	(177)
Converted into Ordinary Shares of RM1.00 each in September 2006	(29)
Converted into Ordinary Shares of RM1.00 each in October 2006	(62)
Converted into Ordinary Shares of RM1.00 each in December 2006	(16,946)
As at 31 March 2007	<u>-</u>
Accumulated Amortisation:	
As at 1 July 2006	148
Amortisation for the period	(148)
As at 31 March 2007	<u>-</u>
Net ICULS as at 31 March 2007	<u><u>-</u></u>

(ii) Ordinary Share Capital

	RM'000
As at 1 July 2006	211,085
Issued in July 2006 pursuant to the conversion of 529,500 ICULS into Ordinary Shares of RM1.00 each	353
Issued in August 2006 pursuant to the conversion of 176,700 ICULS into Ordinary Shares of RM1.00 each	118
Issued in September 2006 pursuant to the conversion of 29,100 ICULS into Ordinary Shares of RM1.00 each	19
Issued in October 2006 pursuant to the conversion of 61,500 ICULS into Ordinary Shares of RM1.00 each	41
Issued in December 2006 pursuant to the conversion of 16,946,133 ICULS into Ordinary Shares of RM1.00 each	11,297
As at 31 March 2007	<u><u>222,913</u></u>

(iii) During the current financial period, the Company repurchased 252,800 of its issued ordinary shares from the open market at an average price of RM0.557 per share. The repurchase transaction was financed by internally generated funds. The shares repurchased are being held as treasury shares and treated in accordance with the requirement of Section 67A of the Companies Act 1965. None of the treasury shares has been resold or distributed as share dividends during the current financial period.

A7. Dividends paid

There was no dividend paid during the financial period.



Notes To The Quarterly Report - 31 March 2007

A8. Segment Information

Segment information is presented in respect of the Group's business segments as follows:

	Plantation RM'000	Organic Fertilizer RM'000	Others RM'000	Consolidated RM'000
9 months ended 31 March 2007				
REVENUE				
External sales/Total Revenue	99,516	-	3,427	102,943
RESULTS				
Segment results	12,885	-	(88)	12,797
Other income				469
Interest Income				26
Finance costs				(4,233)
Profit before taxation				9,059
Taxation				(667)
Profit after taxation				8,392
Minority interests				-
Net profit for the period				8,392
9 months ended 31 March 2006				
REVENUE				
External sales/Total Revenue	67,528	638	2,615	70,781
RESULTS				
Segment results	6,844	(323)	221	6,742
Other income				248
Interest Income				83
Finance costs				(4,460)
Share of loss of associate				(202)
Profit before taxation				2,411
Taxation				(1,136)
Profit after taxation				1,275
Minority interests				227
Net profit for the period				1,502

A9. Valuation of Property, Plant or Equipment

There were no amendments in the valuation of property, plant or equipment brought forward from the previous annual financial statements.

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A11. Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 March 2007.

A12. Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets as at the end of the current interim period.



Notes To The Quarterly Report - 31 March 2007

A13 Capital Commitments

	RM'000
Capital expenditure approved and contracted for	1,463
Capital expenditure approved but not yet contracted	9,205
	<u>10,668</u>

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

The Group recorded a higher profit after tax of RM8.4 million for the period ended 31 March 2007 compared to RM1.3 million for the last corresponding period mainly due to better palm oil market performance.

The Group's revenue increased by 45% to RM102.9 million for the current period from RM70.8 million for the last corresponding period as a result of both higher CPO prices realised and increase in FFB production. Average CPO prices realised in the current period increased by 19% to RM1,638 per Mt as compared to RM1,372 per Mt realised in the last corresponding period. The FFB production also increased by 20% to 96,349 Mts for the current period.

B2. Material changes in profit before taxation for the quarter as compared with the immediate preceding quarter

The Group registered a profit before taxation of RM4.1 million for the current quarter as compared with the profit before taxation of RM2.9 million for the immediate preceding quarter mainly due to lower operating expenditure and certain work programmes were rescheduled.

B3. Prospects

Barring unforeseen circumstances, the Group's operating performance is expected to improve with the higher CPO price.

B4. Variance of actual profit from forecast profit

Not applicable as no profit forecast or profit guarantee was published.

B5. Taxation

	Individual Quarter		Cumulative Quarter to date	
	31 March		31 March	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Income tax :				
Current taxation - Malaysia	471	181	1,424	1,068
Deferred tax :				
Relating to reversal and origination of temporary difference	176	64	186	68
Effect in tax rate change	(943)	-	(943)	-
	<u>(767)</u>	<u>64</u>	<u>(757)</u>	<u>68</u>
	<u>(296)</u>	<u>245</u>	<u>667</u>	<u>1,136</u>

The Malaysian statutory tax rate has been reduced to 27% for the current financial year, effective year of assessment (YA) 2007 and then to 26% for YA 2008. The effect in tax rate change was adjusted to the deferred tax as at 31 March 2007.

B6. Unquoted Investments and Properties

There were no sales of unquoted investments and/or properties in the current quarter and financial year-to-date.



Notes To The Quarterly Report - 31 March 2007

B7. Quoted Investments

There were no purchases or disposals of quoted securities in the current quarter and financial year to-date.

B8. Status of Corporate Proposals Announced

There are no corporate proposals announced but not completed as at 29 May 2007.

B9. Group Borrowings

The total Group borrowings as at 31 March 2007 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term bank borrowings	62,996	-	62,996
Overdraft	1,712	-	1,712
Short term bank borrowings	15,435	-	15,435
	<u>80,143</u>	<u>-</u>	<u>80,143</u>

B10. Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk as at 29 May 2007.

B11. Material Litigation

Tanah Emas Bio-Tech (M) Sdn. Bhd., an associate company, commenced action on 11 October 2006 by way of writ of summons against Shirley Koh Gek Ngo ("1st defendant") and Dr.Koh Hang Yong ("2nd defendant") for the recovery of RM6,440,000 together with interest at 8% per annum based on the specific performance compelling the two (2) defendants to purchase the plaintiff 6,000,000 ordinary shares of RM1.00 each in Hoest (S.E.A.) Sdn. Bhd.

Save as disclosed above, the Group does not have other pending material litigation as at 29 May 2007.

B12. Dividend

The Board did not recommend the payment of dividend for the period ended 31 March 2007.



Notes To The Quarterly Report - 31 March 2007

B13. Earning per Share

	Individual Quarter 31 March		Cumulative Quarter to date 31 March	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
a) Basic earning per share				
Profit/(loss) for the period	4,411	(309)	8,392	1,502
Weighted average number of shares in issue	222,767	209,117	216,013	208,862
Basic earning/(loss) per share (SEN)	<u>1.98</u>	<u>(0.15)</u>	<u>3.89</u>	<u>0.72</u>
b) Diluted earning per share				
Profit/(loss) for the period	4,411	(309)	8,392	1,502
After-tax effect of interest on ICULS	-	70	-	218
Adjusted profit/(loss) for the period	<u>4,411</u>	<u>(239)</u>	<u>8,392</u>	<u>1,720</u>
Weighted average number of shares in issue	222,767	209,117	216,013	208,862
Effects of dilution:				
- ESOS *	-	-	-	-
- ICULS	-	12,773	-	12,773
Adjusted weighted average number of ordinary shares in issue and issuable	<u>222,767</u>	<u>221,890</u>	<u>216,013</u>	<u>221,635</u>
Diluted earning/(loss) per share (SEN)	<u>1.98</u>	<u>(0.11)</u>	<u>3.89</u>	<u>0.78</u>

* The conversion of ESOS is anti-dilutive as the prevailing average market share price of the Company is less than the exercise price. It is therefore assumed that no conversion of ESOS will take place in the foreseeable future.

B14. Authorisation for issue of interim financial statements

The current interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 May 2007.

Voo Yin Ling
Chin Woon Sian
Secretaries

Kuala Lumpur
29 May 2007