



**Interim Report for the 1st Quarter Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Income Statements**

	Note	Individual Quarter 30 September		Cumulative Quarter to date 30 September	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue		49,584	31,810	49,584	31,810
Operating expenses		(39,092)	(28,376)	(39,092)	(28,376)
Profit from operations		10,492	3,434	10,492	3,434
Interest income		75	17	75	17
Other income		115	168	115	168
Finance costs		(1,142)	(1,596)	(1,142)	(1,596)
Profit before taxation		9,540	2,023	9,540	2,023
Taxation	<b>B5</b>	(2,075)	(399)	(2,075)	(399)
Profit after taxation		7,465	1,624	7,465	1,624
Attributable to equity holders of the parent		7,465	1,624	7,465	1,624
Earning per share attributable to equity holders of the parent (Sen)					
Basic	<b>B13(a)</b>	3.38	0.77	3.38	0.77
Diluted	<b>B13(b)</b>	3.38	0.76	3.38	0.76

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2007 and the accompanying notes attached to this interim financial statement)



**Interim Report for the 1st Quarter Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Balance Sheets**

	Note	As at Current Quarter ended 30-09-07  RM'000	As at Preceding Financial year 30-06-07 (Restated) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		48,728	47,934
Prepaid lease payments		85,789	86,053
Biological assets		82,345	81,620
Investment properties		17,058	17,243
Goodwill on consolidation		26,875	26,875
<b>Current assets</b>			
Inventories		7,811	3,147
Receivables		12,299	13,998
Tax recoverable		202	699
Cash and bank balances		15,605	11,236
		35,917	29,080
Non-current assets held for sale		4,095	4,186
<b>TOTAL ASSETS</b>		300,807	292,991
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		222,913	222,913
Reserves		(45,493)	(51,610)
		177,420	171,303
<b>Non-current liabilities</b>			
Borrowings	<b>B9</b>	62,820	63,104
Deferred taxation		26,871	25,975
		89,691	89,079
<b>Current liabilities</b>			
Payables		14,375	12,303
Overdraft & Short Term Borrowings	<b>B9</b>	19,321	20,116
Provision for taxation		-	190
		33,696	32,609
<b>Total liabilities</b>		123,387	121,688
<b>TOTAL EQUITIES AND LIABILITIES</b>		300,807	292,991
<b>Net assets per share attributable to equity holders of the parent (RM)</b>		<b>0.81</b>	<b>0.77</b>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2007 and the accompanying notes attached to this interim financial statement)



**Interim Report for the 1st Quarter Ended 30 September 2007**

(The figures have not been audited)

**Condensed Consolidated Statement Of Changes In Equity**

	Attributable to Equity Holders of the Parent				Total Equity RM'000
	← Non-Distributable →		Distributable		
	Share capital RM'000	Treasury shares RM'000	Share premium RM'000	Accumulated losses RM'000	
<b>For the 1st quarter ended 30 September 2007</b>					
At 1 July 2007	222,913	(615)	17,950	(68,945)	171,303
Acquisition of treasury shares	-	(1,348)	-	-	(1,348)
Net profit for the period	-	-	-	7,465	7,465
At 30 September 2007	<u>222,913</u>	<u>(1,963)</u>	<u>17,950</u>	<u>(61,480)</u>	<u>177,420</u>

**For the 1st quarter ended 30 September 2006**

At 1 July 2006	211,085	(5)	12,049	(83,071)	140,058
Conversion of ICULS	490		243	-	733
Net profit for the period	-	-	-	1,624	1,624
At 30 September 2006	<u>211,575</u>	<u>(5)</u>	<u>12,292</u>	<u>(81,447)</u>	<u>142,415</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 2007 and the accompanying notes attached to this interim financial statement)



**Interim Report for the 1st Quarter Ended 30 September 2007**  
(The figures have not been audited)

**Condensed Consolidated Cash Flow Statement**

	<b>Cumulative Quarter to date</b>	
	<b>30 September</b>	
	<b>2007</b>	<b>2006</b>
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,540	2,023
Adjustments for non-cash items :		
Depreciation	2,091	1,630
Amortisation of ICULS discounts	-	87
Operating profit before working capital changes	11,631	3,740
Working capital changes :		
Decrease/(increase) in debtors	1,699	(837)
Increase/(decrease) in creditors	2,072	(2,693)
Increase in stocks	(4,664)	(1,289)
Cash generated from/( used in ) operations	10,738	(1,079)
Tax paid	(872)	(296)
<b>Net cash generated from/( used in ) operating activities</b>	9,866	(1,375)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of treasury shares	(1,348)	-
Purchase of property, plant and equipment	(3,070)	(2,942)
<b>Net cash used in investing activities</b>	(4,418)	(2,942)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Expenses paid on ICULS conversion	-	(2)
(Repayment)/drawdown on bank borrowings	(258)	769
<b>Net cash ( used in )/generated from financing activities</b>	(258)	767
<b>Net increase/( decrease ) in cash and cash equivalents</b>	5,190	(3,550)
<b>Cash and cash equivalents as at beginning of the year</b>	9,066	727
<b>Cash and cash equivalents as at end of the quarter</b>	14,256	(2,823)
Cash and cash equivalents comprise:		
Cash and bank balances	15,605	3,166
Bank overdraft	(1,344)	(5,989)
Fixed deposits pledged to bank	(5)	-
	14,256	(2,823)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2007 and the accompanying notes attached to this interim financial statement)



**Notes To The Quarterly Report - 30 September 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 2007.

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 2007.

**Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 30 June 2007 except for the adoption of the following applicable new/revised Financial Reporting Standards ("FRS") effective 1 October 2006:

FRS 117 Leases

FRS 124 Related Party Disclosures

The above new/revised FRSs do not have significant financial impact on the Group for these interim financial statements except for FRS 117 and the principal effects of the changes in accounting policies resulting from its adoption is discussed below:-

**FRS 117: Leases**

Prior to 1 July 2007, the Group's leasehold land held for own use was classified as Property, Plant and Equipment and was stated at cost/valuation less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 resulted in a retrospective change in the accounting policy relating to the classification of leasehold land separately from Property, Plant and Equipment. The upfront payments for leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the lease terms. As allowed by the transitional provisions of FRS 117, the unamortised revalued amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments.

Prior to 1 July 2007, plantation infrastructure development expenditure incurred on long leasehold lands were not amortised as the Directors are of the opinion that the non-amortisation of these plantation infrastructure development expenditure has no material effect on the financial statements. Consequent to the adoption of the revised FRS 117 at 1 July 2007, the Group commenced amortisation of plantation infrastructure development expenditure incurred on long leasehold lands on a straight-line basis over the remaining lease terms of the long leasehold lands.



**Notes To The Quarterly Report - 30 September 2007**

The reclassifications of leasehold land have been accounted for retrospectively and the following comparative amounts as at 30 June 2006 have been restated:

	<b>As previously reported</b>	<b>Effect of adoption of new/revised FRS 117</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment	133,987	(86,053)	47,934
Prepaid lease payments	-	86,053	86,053

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

There was no qualification in the audit report of the preceding 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.

**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) During the current financial period, the Company repurchased 1,959,700 of its issued ordinary shares from the open market at an average price of RM0.69 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**

A first and final dividend of 2% less 27% income tax was proposed for the financial year ended 30 June 2007 on 28 August 2007, and will be paid on 28 January 2008 upon approval by Shareholders in the forthcoming Annual General Meeting .

There was no dividend paid during the financial period.



**Notes To The Quarterly Report - 30 September 2007**

**A8. Segment Information**

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

	<b>Plantation RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>3 months ended 30 September 2007</b>			
<b>REVENUE</b>			
External sales/Total Revenue	49,280	304	49,584
<b>RESULTS</b>			
Segment results	10,722	(230)	10,492
Interest Income			75
Other income			115
Finance costs			(1,142)
Profit before taxation			9,540
Taxation			(2,075)
Profit after taxation			7,465
<b>3 months ended 30 September 2006</b>			
<b>REVENUE</b>			
External sales/Total Revenue	30,982	828	31,810
<b>RESULTS</b>			
Segment results	3,344	90	3,434
Interest Income			17
Other income			168
Finance costs			(1,596)
Profit before taxation			2,023
Taxation			(399)
Profit after taxation			1,624

**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 30 September 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 - 30 September 2007**

**A13 Capital Commitments**

	<b>RM'000</b>
Capital expenditure approved and contracted for	3,214
Capital expenditure approved but not yet contracted	13,642
	<u>16,856</u>

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

**B1. Review of Performance**

The Group recorded a markedly higher profit after tax of RM7.5 million for the period ended 30 September 2007 compared to a profit after tax of RM1.6 million for the last corresponding period was mainly due to better palm oil market performance.

The Group's revenue increased by 56% to RM49.6 million for the current period from RM31.8 million for the last corresponding period as a result of higher CPO prices. Average CPO prices realised in the current period has increased by 68% to RM2,465 per Mt as compared to RM1,465 per Mt realised in the last corresponding 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 RM9.5 million for the current quarter as compared with the profit before taxation of RM7.0 million for the immediate preceding quarter mainly due to higher FFB production. The FFB production has increased by 10% to 33,212 Mts in the current quarter.

**B3. Prospects**

Based on current palm products prices and barring any unforeseen circumstances, the performance of the Group for the current financial year is expected to be better than last year.

**B4. Variance of actual profit from forecast profit**

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

**B5. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter to date</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	RM'000	RM'000	RM'000	RM'000
Income tax :				
Current taxation - Malaysia	1,179	399	1,179	399
Deferred tax :				
Relating to origination of temporary differences	896	-	896	-
	<u>2,075</u>	<u>399</u>	<u>2,075</u>	<u>399</u>

**B6. Unquoted Investments and Properties**

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

**B7. Quoted Investments**

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





**Notes To The Quarterly Report - 30 September 2007**

**B8. Status of Corporate Proposals Announced**

The Group had on 8 October 2007 announced that it has on even-date, entered into a Shares Sale Agreement with Messrs Choo Siow Wei and Choo Chew Boon for the proposed acquisition of 4 million shares of RM1 each representing 100% shares in Sparkle Selections Sdn. Bhd. for a total consideration of RM9.3 million. The proposed acquisition is expected to complete within 90 days after signing of the Shares Sale Agreement.

There are no other corporate proposals announced but not completed as at 20 November 2007.

**B9. Group Borrowings**

The total Group borrowings as at 30 September 2007 were as follows:-

	<b>Secured RM'000</b>
Long term bank borrowings	62,820
Overdraft	1,344
Short term bank borrowings	17,977
	<u>82,141</u>

**B10. Off-Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off-balance sheet risk as at 20 November 2007.

**B11. Material Litigation**

Tanah Emas Bio-Tech (M) Sdn Bhd ("TEBT") commenced action on 11 October 2006 by way of writ 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 8.0 % per annum basing on the quantum to be granted by the Honourable Court pursuant to a 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.

The hearing date for the above suit has yet to be fixed by the Court. The Solicitors are of the view that TEBT stands a fair chance of success against the Defendants.

Save as disclosed above, the Group does not have other pending material litigation as at 20 November 2007.

**B12. Dividend**

The Board did not recommend the payment of any dividend for the period ended 30 September 2007.

**B13. Earning per Share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter to date</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	RM'000	RM'000	RM'000	RM'000
<b>a) Basic earning per share</b>				
Profit for the period	7,465	1,624	7,465	1,624
Weighted average number of shares in issue	220,606	211,373	220,606	211,373
Basic earning per share (SEN)	<u>3.38</u>	<u>0.77</u>	<u>3.38</u>	<u>0.77</u>



**Notes To The Quarterly Report - 30 September 2007**

	Individual Quarter 30 September		Cumulative Quarter to date 30 September	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
<b>b) Diluted earning per share</b>				
Profit for the period	7,465	1,624	7,465	1,624
After-tax effect of interest on ICULS	-	62	-	62
Adjusted profit for the period	<u>7,465</u>	<u>1,686</u>	<u>7,465</u>	<u>1,686</u>
Weighted average number of shares in issue	220,606	211,373	220,606	211,373
Effects of dilution:				
- ESOS	-	-	-	-
- ICULS	-	11,338	-	11,338
Adjusted weighted average number of ordinary shares in issue and issuable	<u>220,606</u>	<u>222,711</u>	<u>220,606</u>	<u>222,711</u>
Diluted earning per share (SEN)	<u>3.38</u>	<u>0.76</u>	<u>3.38</u>	<u>0.76</u>

The conversion of Employee Share Option Scheme ("ESOS") was anti-dilutive as the prevailing average market share price of the Company was less than the exercise price. It was therefore assumed that no conversion of ESOS will take place in the foreseeable future. The ESOS of the Company had expired in May 2007.

**B14. Related Party Transactions**

	Individual Quarter 30 September		Cumulative Quarter to date 30 September	
	2007	2006	2007	2006
	RM	RM	RM	RM
Transactions with companies in which a Director of the Company, Yap Phing Cern has financial interest :				
Riwagu Property Sdn. Bhd.				
- Rental of office premises	15,000	15,000	15,000	15,000
- Purchase of fresh fruit bunches	49,210	25,539	49,210	25,539
- Management services income	(756)	(756)	(756)	(756)
- Sale of seedlings	(5,445)	-	(5,445)	-
Promisal Sdn. Bhd.				
- Management services income	(9,284)	-	(9,284)	-
Lambang Positif Sdn. Bhd.				
- Lease of land	4,500	4,500	4,500	4,500

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

**B15. 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 20 November 2007.

**Voo Yin Ling**  
**Chin Woon Sian**  
Secretaries

Kuala Lumpur  
20 November 2007