



Interim Report for the 3rd Quarter Ended 31 March 2008

(The figures have not been audited)

Condensed Consolidated Income Statements

| | Note | Individual Quarter 31 March | | Cumulative Quarter to date 31 March | |
|---|------------|--------------------------------|----------------|--|----------------|
| | | 2008 RM'000 | 2007 RM'000 | 2008 RM'000 | 2007 RM'000 |
| Revenue | | 60,525 | 34,541 | 181,605 | 102,943 |
| Operating expenses | | (46,122) | (29,350) | (142,635) | (90,146) |
| Profit from operations | | 14,403 | 5,191 | 38,970 | 12,797 |
| Interest income | | 140 | 4 | 197 | 26 |
| Other income | | 138 | 177 | 382 | 469 |
| Finance costs | | (1,060) | (1,257) | (3,347) | (4,233) |
| Profit before taxation | | 13,621 | 4,115 | 36,202 | 9,059 |
| Taxation | B5 | (2,992) | 296 | (8,006) | (667) |
| Profit after taxation | | 10,629 | 4,411 | 28,196 | 8,392 |
| Attributable to equity holders of TECB | | 10,629 | 4,411 | 28,196 | 8,392 |
| Basic earning per share attributable to equity holders of TECB (Sen) | B13 | 4.83 | 1.98 | 12.80 | 3.89 |

(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 these interim financial statements)



Interim Report for the 3rd Quarter Ended 31 March 2008

(The figures have not been audited)

Condensed Consolidated Balance Sheets

| | Note | As at Current Quarter ended 31-03-08 RM'000 | As at Preceding Financial year 30-06-07 (Restated) RM'000 |
|---|-----------|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 51,957 | 47,934 |
| Prepaid lease payments | | 93,214 | 86,053 |
| Biological assets | | 89,348 | 81,620 |
| Investment properties | | 24,583 | 17,243 |
| Goodwill on consolidation | | 28,471 | 26,875 |
| Current assets | | | |
| Inventories | | 13,903 | 3,147 |
| Receivables | | 18,370 | 13,998 |
| Tax recoverable | | - | 699 |
| Cash and bank balances | | 10,477 | 11,236 |
| | | 42,750 | 29,080 |
| Non-current assets held for sale | | 28 | 4,186 |
| TOTAL ASSETS | | 330,351 | 292,991 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of TECB | | | |
| Share capital | | 222,913 | 222,913 |
| Reserves | | (27,983) | (51,610) |
| | | 194,930 | 171,303 |
| Non-current liabilities | | | |
| Borrowings | B9 | 68,171 | 63,104 |
| Deferred taxation | | 28,955 | 25,975 |
| | | 97,126 | 89,079 |
| Current liabilities | | | |
| Payables | | 14,097 | 12,303 |
| Overdraft & Short Term Borrowings | B9 | 22,330 | 20,116 |
| Provision for taxation | | 1,868 | 190 |
| | | 38,295 | 32,609 |
| Total liabilities | | 135,421 | 121,688 |
| TOTAL EQUITIES AND LIABILITIES | | 330,351 | 292,991 |
| Net assets per share attributable to equity holders of TECB (RM) | | 0.89 | 0.77 |

(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 these interim financial statements)



Interim Report for the 3rd Quarter Ended 31 March 2008

(The figures have not been audited)

Condensed Consolidated Statement Of Changes In Equity

| | Attributable to Equity Holders of TECB | | | | Total Equity RM'000 |
|--|--|------------------------------|----------------------------|---------------------------------|---------------------------|
| | ← Non-Distributable → | | Distributable | | |
| | Share capital RM'000 | Treasury shares RM'000 | Share premium RM'000 | Accumulated losses RM'000 | |
| For the 3rd quarter ended 31 March 2008 | | | | | |
| At 1 July 2007 | 222,913 | (615) | 17,950 | (68,945) | 171,303 |
| Acquisition of treasury shares | - | (1,357) | - | - | (1,357) |
| Net profit for the period | - | - | - | 28,196 | 28,196 |
| Dividend | - | - | - | (3,212) | (3,212) |
| At 31 March 2008 | <u>222,913</u> | <u>(1,972)</u> | <u>17,950</u> | <u>(43,961)</u> | <u>194,930</u> |
| For the 3rd quarter ended 31 March 2007 | | | | | |
| At 1 July 2006 | 211,085 | (5) | 12,049 | (83,071) | 140,058 |
| Conversion of ICULS | 11,828 | | 5,901 | - | 17,729 |
| Acquisition of treasury shares | | (142) | | | (142) |
| Net profit for the period | - | - | - | 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> |

(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 these interim financial statements)



Interim Report for the 3rd Quarter Ended 31 March 2008

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

| | Note | Cumulative Quarter to date 31 March | |
|--|------|--|----------------|
| | | 2008 RM'000 | 2007 RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 36,202 | 9,059 |
| Adjustments for non-cash items : | | | |
| Depreciation | | 6,306 | 5,597 |
| Amortisation of ICULS discounts | | - | 148 |
| Operating profit before working capital changes | | 42,508 | 14,804 |
| Working capital changes : | | | |
| Increase in debtors | | (4,372) | (1,158) |
| Increase/(decrease) in creditors | | 1,794 | (4,241) |
| Increase in stocks | | (10,756) | (2,033) |
| Cash generated from operations | | 29,174 | 7,372 |
| Tax paid | | (2,649) | (647) |
| Tax refunded | | - | 466 |
| Net cash generated from operating activities | | 26,525 | 7,191 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Acquisition of subsidiary | A11 | (9,362) | - |
| Acquisition of treasury shares | | (1,357) | (142) |
| Purchase of Non Current Assets | | (20,634) | (8,194) |
| Net cash used in investing activities | | (31,353) | (8,336) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Expenses paid on ICULS conversion | | - | (14) |
| Dividend paid | | (3,212) | - |
| Drawdown on bank borrowings | | 5,112 | 338 |
| Net cash generated from financing activities | | 1,900 | 324 |
| Net decrease in cash and cash equivalents | | (2,928) | (821) |
| Cash and cash equivalents as at beginning of the year | | 9,066 | 727 |
| Cash and cash equivalents as at end of the quarter | | 6,138 | (94) |
| Cash and cash equivalents comprise: | | | |
| Cash and bank balances | | 10,477 | 1,618 |
| Bank overdraft | | (4,334) | (1,712) |
| Fixed deposits pledged to bank | | (5) | - |
| | | 6,138 | (94) |

(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 these interim financial statements)



Notes To The Quarterly Report - 31 March 2008

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

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

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



Notes To The Quarterly Report - 31 March 2008

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:

During the current financial period, the Company repurchased 1,969,700 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 amounting to RM3,211,775 for the financial year ended 30 June 2007 was paid on 28 January 2008.

There were no other dividends declared/paid during the financial period.

A8. Segment Information

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

| | Plantation RM'000 | Others RM'000 | Consolidated RM'000 |
|-------------------------------------|------------------------------|--------------------------|--------------------------------|
| 9 months ended 31 March 2008 | | | |
| REVENUE | | | |
| External sales/Total Revenue | 180,481 | 1,124 | 181,605 |
| RESULTS | | | |
| Segment results | 40,062 | (1,092) | 38,970 |
| Interest Income | | | 197 |
| Other income | | | 382 |
| Finance costs | | | (3,347) |
| Profit before taxation | | | 36,202 |
| Taxation | | | (8,006) |
| Profit after taxation | | | 28,196 |



Notes To The Quarterly Report - 31 March 2008

| | Plantation 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 |
| Interest Income | | | 26 |
| Other income | | | 469 |
| Finance costs | | | (4,233) |
| Profit before taxation | | | 9,059 |
| Taxation | | | (667) |
| Profit after taxation | | | 8,392 |

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

On 4 December 2007, Tanah Emas Telupid Sdn. Bhd., its wholly owned subsidiary, acquired the entire issued and paid up share capital in Everlite Force Sdn. Bhd. ("EFSB") comprising 2 Ordinary Shares of RM1.00 each for a total consideration of RM2.00. EFSB has not commenced operations since the date of incorporation and is intended for future use.

On 8 October 2007, the Company entered into a Shares Sale Agreement with Ms. Choo Siow Wei and Mr. Choo Chew Boon for the acquisition of 4 million ordinary shares of RM1 each representing 100% shares in Sparkle Selections Sdn. Bhd. for a total consideration of RM9.3 million. The shares were transferred the name of the Company on 18 February 2008.

The assets and liabilities arising from the acquisition of Sparkle Selections Sdn. Bhd. were as follows :

| | |
|---|---------------|
| | RM'000 |
| Prepaid lease payments | 7,894 |
| Other creditors | 128 |
| | <u>7,766</u> |
| Goodwill arising on acquisition | 1,596 |
| Cash outflow on acquisition of Sparkle Selections Sdn. Bhd. | <u>9,362</u> |

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.

A13 Capital Commitments

| | |
|---|---------------|
| | RM'000 |
| Capital expenditure approved and contracted for | 8,340 |
| Capital expenditure approved but not yet contracted | 12,951 |
| | <u>21,291</u> |



Notes To The Quarterly Report - 31 March 2008

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

B1. Review of Performance

The Group recorded a markedly higher profit after tax of RM28.2 million for the period ended 31 March 2008 compared to a profit after tax of RM8.3 million for the last corresponding period mainly due to better palm oil market performance.

The Group's revenue increased by 76% to RM181.6 million for the current period from RM102.9 million for the last corresponding period as a result of higher CPO price. Average CPO price realised in the current period has increased by 75% to RM2,872 per Mt as compared to RM1,638 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 profit before tax of the Group has increased slightly by 4% to RM13.6 million for the current quarter as compared to immediate preceding quarter. The slight increase in profit before tax for the current quarter was due to higher CPO price realised despite of lower sale of CPO and PK. Average CPO price realised in the 3rd quarter has increased by 21% to RM3,410 per Mt as compared to the immediate preceding quarter. However, CPO and PK sales volume had decreased by 31% and 16% respectively as FFB production moved into low crop season.

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

| | Individual Quarter | | Cumulative Quarter to date | |
|---|--------------------|--------------|----------------------------|------------|
| | 31 March | | 31 March | |
| | 2008 | 2007 | 2008 | 2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax : | | | | |
| Current taxation - Malaysia | 2,118 | 471 | 5,026 | 1,424 |
| Deferred tax : | | | | |
| Relating to origination/(reversal) of temporary differences | 874 | (767) | 2,980 | (757) |
| | <u>2,992</u> | <u>(296)</u> | <u>8,006</u> | <u>667</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 - 31 March 2008

B8. Status of Corporate Proposals Announced

On 19 December 2007, Tanah Emas Corporation Berhad's wholly owned subsidiary, Yapidmas Plantation Sdn. Bhd. entered into an Agreement for Sub-Lease with the Sub-Lessor, Mr. Chin Woon Sian @ Louis Chin for the sub-leasing of all that 59 parcels of lands planted with oil palm measuring in area totalling 195.64 hectares more or less situated at Batu 69, Jalan Telupid, in the District of Labuk/Sugut, Beluran, Sabah ("the Land") for an aggregate consideration of RM7,976,430. The Proposed Sub-Lease of the Land was completed on 28 January 2008.

On the 23 January 2008, Tanah Emas Corporation Berhad's wholly owned subsidiary, Yapidmas Plantation Sdn. Bhd. ("YPSB") entered into an Agreement for Sale And Purchase of Land with Shazam Plantation Sdn. Bhd. for the acquisition of agricultural lands measuring an area totalling 197.25 hectares more or less situated at Kuamut in the District of Kinabatangan for a consideration of RM3,168,100. The proposed acquisition was completed on 28 February 2008.

There are no other corporate proposals announced but not completed as at 20 May 2008.

B9. Group Borrowings

The total Group borrowings as at 31 March 2008 were as follows:-

| | Secured RM'000 |
|----------------------------|---------------------------|
| Long term bank borrowings | 68,171 |
| Overdraft | 4,334 |
| Short term bank borrowings | 17,996 |
| | <u>90,501</u> |

B10. Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk as at 20 May 2008.

B11. Material Litigation

Tanah Emas Bio-Tech (M) Sdn Bhd ("TEBT") 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 8.0 % 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.

B12. Dividend

The Board did not recommend the payment of dividend for the period ended 31 March 2008.

B13. Earning per Share

| | Individual Quarter | | Cumulative Quarter to date | |
|--|---------------------------|-------------|-----------------------------------|-------------|
| | 31 March | | 31 March | |
| | 2008 | 2007 | 2008 | 2007 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Basic earning per share | | | | |
| Profit for the period | 10,629 | 4,411 | 28,196 | 8,392 |
| Weighted average number of shares in issue | 219,984 | 222,767 | 220,198 | 216,013 |
| Basic earning per share (SEN) | <u>4.83</u> | <u>1.98</u> | <u>12.80</u> | <u>3.89</u> |



Notes To The Quarterly Report - 31 March 2008

B14. Related Party Transactions

| | Individual Quarter | | Cumulative Quarter to date | |
|---|---------------------------|-------------|-----------------------------------|-------------|
| | 31 March | | 31 March | |
| | 2008 | 2007 | 2008 | 2007 |
| | 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 | 28,800 | 28,200 | 86,400 | 84,600 |
| - Purchase of fresh fruit bunches | 50,547 | 28,754 | 156,382 | 79,222 |
| - Purchase of gravel | 6,076 | - | 18,536 | 10,890 |
| - Management fees | (756) | (756) | (2,268) | (2,268) |
| Promisal Sdn. Bhd. | | | | |
| - Management fees | (9,284) | - | (27,852) | - |
| Lambang Positif Sdn. Bhd. | | | | |
| - Lease of land | 4,500 | 4,500 | 13,500 | 13,500 |

The Directors are of the opinion that all the transactions above have been entered into in a 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 May 2008.

Voo Yin Ling
Chin Woon Sian
Secretaries

Kuala Lumpur
20 May 2008