



Interim Report for the 1st Quarter Ended 30 September 2008

(The figures have not been audited)

Condensed Consolidated Income Statements

	Note	Individual Quarter 30 September		Cumulative Quarter to date 30 September	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		70,240	49,584	70,240	49,584
Operating expenses		(61,274)	(39,092)	(61,274)	(39,092)
Profit from operations		8,966	10,492	8,966	10,492
Interest income		92	75	92	75
Other income		110	115	110	115
Finance costs		(1,040)	(1,142)	(1,040)	(1,142)
Profit before taxation		8,128	9,540	8,128	9,540
Taxation	B5	(1,933)	(2,075)	(1,933)	(2,075)
Profit after taxation		6,195	7,465	6,195	7,465
Attributable to equity holders of TECB		6,195	7,465	6,195	7,465
Basic earning per share attributable to equity holders of TECB (Sen)	B13	2.82	3.38	2.82	3.38

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2008 and the accompanying notes attached to these interim financial statements)



Interim Report for the 1st Quarter Ended 30 September 2008

(The figures have not been audited)

Condensed Consolidated Balance Sheets

		As at Current Quarter Quarter ended 30-09-08	As at Preceding Financial year 30-06-08
	Note	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		54,345	55,355
Prepaid lease payments		97,400	93,311
Biological assets		89,391	88,783
Investment properties		25,810	25,995
Goodwill on consolidation		26,875	26,875
Current assets			
Inventories		9,421	11,779
Receivables		23,269	22,672
Tax recoverable		-	628
Short term investment		1,250	1,250
Cash and bank balances		13,474	16,317
		47,414	52,646
TOTAL ASSETS		341,235	342,965
EQUITY AND LIABILITIES			
Equity attributable to equity holders of TECB			
Share capital		222,913	222,913
Reserves		(10,526)	(16,692)
		212,387	206,221
Non-current liabilities			
Borrowings	B9	65,302	67,360
Deferred taxation		29,785	29,299
		95,087	96,659
Current liabilities			
Payables		15,315	19,913
Overdraft & Short Term Borrowings	B9	17,900	18,829
Provision for taxation		546	1,343
		33,761	40,085
Total liabilities		128,848	136,744
TOTAL EQUITIES AND LIABILITIES		341,235	342,965
Net assets per share attributable to equity holders of TECB (RM)		0.97	0.93

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2008 and the accompanying notes attached to these interim financial statements)



Interim Report for the 1st Quarter Ended 30 September 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 1st quarter ended 30 September 2008					
At 1 July 2008	222,913	(1,991)	17,950	(32,652)	206,220
Acquisition of treasury shares	-	(28)	-	-	(28)
Net profit for the period	-	-	-	6,195	6,195
Dividend	-	-	-	-	-
At 30 September 2008	<u>222,913</u>	<u>(2,019)</u>	<u>17,950</u>	<u>(26,457)</u>	<u>212,387</u>

For the 1st quarter ended 30 September 2007

At 1 July 2007	222,913	(615)	17,950	(68,945)	171,303
Conversion of ICULS	-	(1,348)	-	-	(1,348)
Acquisition of treasury shares	-	-	-	-	-
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>

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2008 and the accompanying notes attached to these interim financial statements)



Interim Report for the 1st Quarter Ended 30 September 2008
(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	Note	Cumulative Quarter to date 30 September	
		2008 RM'000	2007 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		8,128	9,540
Adjustments for non-cash items :			
Depreciation		2,285	2,091
Operating profit before working capital changes		10,413	11,631
Working capital changes :			
(Increase)/decrease in debtors		(597)	1,699
(Decrease)/increase in creditors		(4,598)	2,072
Decrease/(Increase) in stocks		2,359	(4,664)
Cash generated from operations		7,577	10,738
Tax paid		(2,036)	(872)
Tax refunded		420	-
Net cash generated from operating activities		5,961	9,866
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of treasury shares		(28)	(1,348)
Purchase of Non Current Assets		(5,787)	(3,070)
Net cash used in investing activities		(5,815)	(4,418)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment on bank borrowings		(2,418)	(258)
Net cash used in financing activities		(2,418)	(258)
Net (decrease)/increase in cash and cash equivalents		(2,272)	5,190
Cash and cash equivalents as at beginning of the year		16,780	9,066
Cash and cash equivalents as at end of the period		14,508	14,256
Cash and cash equivalents comprise:			
Cash and bank balances		14,724	15,605
Bank overdraft		(211)	(1,344)
Fixed deposits pledged to bank		(5)	(5)
		14,508	14,256

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2008 and the accompanying notes attached to these interim financial statements)



Notes To The Quarterly Report - 30 September 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 Jun 2008.

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 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, Resales 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 40,000 of its issued ordinary shares from the open market at an average price of RM0.70 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 dividends during the current financial period.

A7. Dividends paid

There were no dividends paid during the current quarter.



Notes To The Quarterly Report - 30 September 2008

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
3 months ended 30 September 2008			
REVENUE			
External sales/Total Revenue	66,180	4,060	70,240
RESULTS			
Segment results	9,714	(748)	8,966
Interest Income			92
Other income			110
Finance costs			(1,040)
Profit before taxation			8,128
Taxation			(1,933)
Profit after taxation			6,195
	Plantation RM'000	Others RM'000	Consolidated RM'000
3 months ended 30 September 2007			
REVENUE			
External sales/Total Revenue	49,280	304	49,584
RESULTS			
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

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 current financial statements.

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 2008.

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 2008

A13 Capital Commitments

	RM'000
Capital expenditure approved and contracted for	8,416
Capital expenditure approved but not yet contracted	12,659
	<u>21,075</u>

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

B1. Review of Performance

The Group recorded a lower profit after tax of RM6.2 million for the period ended 30 September 2008 compared to a profit after tax of RM7.5 million in the last corresponding period mainly due to significant increases in cost of diesel and fertilisers which negated the gain in higher CPO prices.

The Group's revenue increased to RM70.2 million for the current financial period from RM49.6 million for the last corresponding financial period was mainly contributed by higher CPO prices realised and higher volume sold. In the current financial period, average CPO price improved by 12% to RM2,762 per Mt as compared to the last corresponding quarter, whilst CPO sales volume increased by 22% to 21,719 Mt.

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

The profit before tax of the Group decreased by 48% to RM8.1 million for the current quarter as compared to that of the immediate preceding quarter. The decrease in profit before tax for the current quarter was mainly attributed to lower CPO price. Average CPO price realised in the 1st quarter decreased by 21% to RM2,762 per Mt as compared to the immediate preceding quarter.

B3. Prospects

The Group will be affected by the recent sharp decline in CPO prices. However, the Group should be able to hold itself out over the period through cost efficiency and yield improvement.

Barring any unforeseen circumstances, the performance of the Group for the current financial year will be satisfactory.

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	
	30 June		30 June	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Income tax :				
Current taxation - Malaysia	1,447	1,179	1,447	1,179
Deferred tax :				
Relating to origination of temporary differences	486	896	486	896
	<u>1,933</u>	<u>2,075</u>	<u>1,933</u>	<u>2,075</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.



Notes To The Quarterly Report - 30 September 2008

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

On 11 September 2008, Tanah Emas Corporation Berhad entered into Shares Sale Agreement with the Vendors, Messrs Lai Seong Yik and Chai Swee Lee for the proposed acquisition of 6.8 million shares of RM1 each, representing 100% shares in Spectrum 88 Sdn. Bhd. for a total consideration of RM15.64 million.

There are no other corporate proposals announced but not completed as at 18 November 2008.

B9. Group Borrowings

The total Group borrowings as at 30 September 2008 were as follows:-

	Secured RM'000
Long term bank borrowings	65,302
Overdraft	211
Short term bank borrowings	17,689
	<u>83,202</u>

B10. Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk as at 18 November 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.

Save as disclosed above, the Group does not have other pending material litigation as at 18 November 2008.

B12. Dividend

The Board has proposed a final single tier dividend of 5 sen per share amounting to RM10,998,213 for the financial year ended 30 June 2008. The proposed final dividend is subject to the shareholders' approval in the forthcoming Annual General Meeting.

B13. Earning per Share

	Individual Quarter		Cumulative Quarter to date	
	30 September		30 September	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Basic earning per share				
Profit for the period	6,195	7,465	6,195	7,465
Weighted average number of shares in issue	219,951	220,606	219,951	220,606
Basic earning per share (SEN)	<u>2.82</u>	<u>3.38</u>	<u>2.82</u>	<u>3.38</u>



Notes To The Quarterly Report - 30 September 2008

B14. Related Party Transactions

	Individual Quarter		Cumulative Quarter to date	
	30 September		30 September	
	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	28,800	28,800	28,800
- Purchase of fresh fruit bunches	47,767	49,210	47,767	49,210
- Purchase of gravel	23,408	-	23,408	-
- Management fees	-	(756)	-	(756)
Promisal Sdn. Bhd.				
- Management fees	-	(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 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 18 November 2008.

Voo Yin Ling
Chin Woon Sian
Secretaries

Kuala Lumpur
18 November 2008