



Interim Report for the 2nd Quarter Ended 31 December 2008

(The figures have not been audited)

Condensed Consolidated Income Statements

	Note	Individual Quarter 31 December		Cumulative Quarter to date 31 December	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		39,471	71,496	109,711	121,080
Operating expenses		(35,979)	(57,405)	(97,253)	(96,500)
Profit from operations		3,492	14,091	12,458	24,580
Interest income		43	(19)	135	57
Other income		121	129	231	244
Finance costs		(1,078)	(1,145)	(2,118)	(2,287)
Profit before taxation		2,578	13,056	10,706	22,594
Taxation	B5	(556)	(2,939)	(2,489)	(5,014)
Profit after taxation		2,022	10,117	8,217	17,580
Attributable to equity holders of TECB		2,022	10,117	8,217	17,580
Basic earning per share attributable to equity holders of TECB (Sen)	B13	0.92	4.60	3.74	7.98

(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 2nd Quarter Ended 31 December 2008

(The figures have not been audited)

Condensed Consolidated Balance Sheets

	As at Current Quarter ended 31-12-08	As at Preceding Financial year 30-06-08
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	54,784	55,355
Prepaid lease payments	96,979	93,311
Biological assets	90,465	88,783
Investment properties	41,344	25,995
Goodwill on consolidation	26,875	26,875
Current assets		
Inventories	6,513	11,779
Receivables	13,660	22,672
Tax recoverable	698	628
Short term investment	1,250	1,250
Cash and bank balances	10,527	16,317
	32,648	52,646
TOTAL ASSETS	343,095	342,965
EQUITY AND LIABILITIES		
Equity attributable to equity holders of TECB		
Share capital	222,913	222,913
Reserves	(8,985)	(16,692)
	213,928	206,221
Non-current liabilities		
Borrowings	B9 62,792	67,360
Deferred taxation	29,847	29,299
	92,639	96,659
Current liabilities		
Payables	12,018	19,913
Overdraft & Short Term Borrowings	B9 23,906	18,829
Provision for taxation	604	1,343
	36,528	40,085
Total liabilities	129,167	136,744
TOTAL EQUITIES AND LIABILITIES	343,095	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 2nd Quarter Ended 31 December 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 2nd quarter ended 31 December 2008					
At 1 July 2008	222,913	(1,991)	17,950	(32,651)	206,221
Acquisition of treasury shares	-	(510)	-	-	(510)
Net profit for the period	-	-	-	8,217	8,217
At 31 December 2008	<u>222,913</u>	<u>(2,501)</u>	<u>17,950</u>	<u>(24,434)</u>	<u>213,928</u>

For the 2nd quarter ended 31 December 2007

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	-	-	-	17,580	17,580
At 31 December 2007	<u>222,913</u>	<u>(1,972)</u>	<u>17,950</u>	<u>(51,365)</u>	<u>187,526</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 2nd Quarter Ended 31 December 2008

(The figures have not been audited)

Condensed Consolidated Cash Flow Statement

	Note	Cumulative Quarter to date 31 December	
		2008 RM'000	2007 RM'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		10,706	22,594
Adjustment for non-cash item :			
Depreciation		4,728	4,189
Operating profit before working capital changes		<u>15,434</u>	<u>26,783</u>
Working capital changes :			
Decrease/(increase) in debtors		9,012	(12,311)
(Decrease)/increase in creditors		(7,895)	3,241
Decrease/(increase) in stocks		5,266	(5,767)
Cash generated from operations		<u>21,817</u>	<u>11,946</u>
Tax paid		(3,170)	(1,729)
Tax refunded		420	-
Net cash generated from operating activities		<u>19,067</u>	<u>10,217</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of a subsidiary	A11	(15,696)	-
Purchase of Non Current Assets		(9,160)	(5,541)
Net cash used in investing activities		<u>(24,856)</u>	<u>(5,541)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Acquisition of treasury shares		(510)	(1,357)
Drawdown/(repayment) on bank borrowings		1,290	(2,188)
Net cash generated from/(used in) financing activities		780	(3,545)
Net (decrease)/increase in cash and cash equivalents		(5,008)	1,131
Cash and cash equivalents as at beginning of the year		16,780	9,066
Cash and cash equivalents as at end of the period		<u>11,772</u>	<u>10,197</u>
Cash and cash equivalents comprise:			
Cash and bank balances		11,777	12,453
Bank overdraft		-	(2,251)
Fixed deposits pledged to bank		(5)	(5)
		<u>11,772</u>	<u>10,197</u>

(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 - 31 December 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 898,400 of its issued ordinary shares from the open market at an average price of RM0.57 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 have 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 - 31 December 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
6 months ended 31 December 2008			
REVENUE			
External sales/Total Revenue	101,903	7,808	109,711
RESULTS			
Segment results	13,783	(1,325)	12,458
Interest Income			135
Other income			231
Finance costs			(2,118)
Profit before taxation			10,706
Taxation			(2,489)
Profit after taxation			8,217
6 months ended 31 December 2007			
REVENUE			
External sales/Total Revenue	120,425	655	121,080
RESULTS			
Segment results	25,821	(1,241)	24,580
Interest Income			57
Other income			244
Finance costs			(2,287)
Profit before taxation			22,594
Taxation			(5,014)
Profit after taxation			17,580

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.



Notes To The Quarterly Report - 31 December 2008

A11. Changes in the composition of the Group

Further to the announcement dated 11 September 2008, the Board of Directors of TECB is pleased to announce that TECB had on 10 December 2008 completed the acquisition of 6.8 million shares of RM1.00 each, representing 100% shares in Spectrum 88 Sdn Bhd ("S88") from the Vendors, Messrs Lai Seong Yik and Chai Swee Lee for a total consideration of RM15.64 million.

The assets and liabilities arising from the acquisition of Spectrum 88 Sdn. Bhd. were as follows :

	RM'000
Freehold land	10,200
Current assets	3
Current liabilities	11
Total net asset	<u>10,192</u>
Purchase consideration	15,640
Cost attributable to the acquisition, paid in cash	59
Total cash outflow of the company	<u>15,699</u>
Cash and cash equivalents of subsidiary acquired	3
Net cash outflow of the Group	<u><u>15,696</u></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	1,680
Capital expenditure approved but not yet contracted	11,872
	<u><u>13,552</u></u>

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

B1. Review of Performance

The Group recorded a lower profit after tax of RM8.2 million for the period ended 31 December 2008 compared to a profit after tax of RM17.6 million in the last corresponding period mainly due to poor palm oil market performance.

The Group's revenue decreased to RM109.7 million for the current financial period from RM121.1 million for the last corresponding financial period mainly due to lower CPO prices realised. In the current financial period, average CPO price declined by 15% to RM2,273 per Mt as compared to the last corresponding quarter.

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 68% to RM2.0 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 2nd quarter decreased by 40% to RM1,667 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 with better cost efficiency and yield.

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



Notes To The Quarterly Report - 31 December 2008

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 December		31 December	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Income tax :				
Current taxation - Malaysia	494	1,729	1,941	2,908
Deferred tax :				
Relating to origination of temporary differences	62	1,210	548	2,106
	<u>556</u>	<u>2,939</u>	<u>2,489</u>	<u>5,014</u>

B6. Unquoted Investments and Properties

There were no sales of unquoted investments and/or properties in the current quarter.

B7. Quoted Investments

There were no purchases or disposals of quoted securities in the current quarter.

B8. Status of Corporate Proposals Announced

There are no other corporate proposals announced but not completed as at 20 February 2009.

B9. Group Borrowings

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

	Secured RM'000
Long term bank borrowings	62,792
Overdraft	-
Short term bank borrowings	<u>23,906</u>
	<u><u>86,698</u></u>

B10. Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk as at 20 February 2009.

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 20 February 2009.



Notes To The Quarterly Report - 31 December 2008

B12. Dividend

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

B13. Earning per Share

	Individual Quarter		Cumulative Quarter to date	
	31 December		31 December	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Basic earning per share				
Profit for the period	2,022	10,117	8,217	17,580
Weighted average number of shares in issue	219,184	219,988	219,568	220,303
Basic earning per share (SEN)	0.92	4.60	3.74	7.98

B14. Related Party Transactions

	Individual Quarter		Cumulative Quarter to date	
	31 December		31 December	
	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	57,600
- Purchase of fresh fruit bunches	47,767	56,625	47,767	105,835
- Purchase of gravel	23,408	12,460	23,408	12,460
- Management fees	-	(756)	-	(1,512)
Promisal Sdn. Bhd.				
- Management fees	-	(9,284)	-	(18,568)
Lambang Positif Sdn. Bhd.				
- Lease of land	4,500	4,500	4,500	9,000

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 February 2009.

Voo Yin Ling
Chin Woon Sian
Secretaries

Kuala Lumpur
20 February 2009