



Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 December 2011

	Note	3 months Ended		6 months Ended	
		31.12.11 RM'000	31.12.10 RM'000	31.12.11 RM'000	31.12.10 RM'000
Revenue	8	322,749	342,040	682,600	610,498
Cost of Sales		(283,919)	(276,958)	(595,906)	(505,351)
Gross Profit		38,830	65,082	86,694	105,147
Other Items of Income					
Interest Income	8	127	84	332	247
Other Operating Income		2,062	427	3,198	1,405
Other Items of Expenses					
Selling Expenses		(11,438)	(9,177)	(21,851)	(15,997)
Administrative Expenses		(8,675)	(7,837)	(17,699)	(20,588)
Finance Costs		(5,151)	(7,229)	(10,461)	(15,040)
Profit Before Tax	17	15,755	41,350	40,213	55,174
Income Tax Expense	20	(3,190)	(3,750)	(7,300)	(10,000)
Profit For The Period	8	12,565	37,600	32,913	45,174
Other Comprehensive Income:					
(Loss)/Gain on Fair Value Changes in Derivatives		(2,502)	1,066	(2,461)	1,508
Foreign Currency Translation		7,253	1,902	18,396	(6,672)
Other Comprehensive Income / (Expenses), Net of Tax		4,751	2,968	15,935	(5,164)
Total Comprehensive Income For The Period		17,316	40,568	48,848	40,010
Profit For The Period Attributable To:					
Owners of the Company		12,607	37,667	33,010	45,369
Non-controlling Interests		(42)	(67)	(97)	(195)
Profit For The Period		12,565	37,600	32,913	45,174
Total Comprehensive Income Attributable To:					
Owners of the Company		17,358	40,635	48,945	40,205
Non-controlling Interests		(42)	(67)	(97)	(195)
Total Comprehensive Profit For The Period		17,316	40,568	48,848	40,010
Earnings Per Share Attributable to Owners Of The Company (Sen Per Share):					
		31.12.11	31.12.10	31.12.11	31.12.10
Basic	26 (a)	4.05	12.09	10.59	14.56
Diluted	26 (b)	4.05	11.87	10.59	14.30

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position
As At 31 December 2011

	Note	As at 31.12.11 RM'000	As at 30.06.11 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	1,039,078	1,012,870
Biological assets	9	641,142	635,996
Investment properties	9	9,732	9,732
Land use rights	9	16,199	15,167
Deferred tax assets		1,789	1,789
Other receivables		24,904	17,444
		1,732,844	1,692,998
Current Assets			
Inventories		170,792	235,171
Trade receivables		70,724	79,177
Other receivables		29,498	17,211
Tax recoverable		10,118	5,807
Derivative assets		1,732	4,413
Cash and bank balances		113,720	118,884
		396,584	460,663
TOTAL ASSETS		2,129,428	2,153,661
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		155,839	155,839
Share premium		53,727	53,727
Retained earnings	22	369,879	336,869
Other reserves		673,969	658,034
		1,253,414	1,204,469
Non-controlling interests		357	454
Total Equity		1,253,771	1,204,923
Non-Current Liabilities			
Borrowings	23	175,423	178,664
Deferred tax liabilities		112,799	113,799
		288,222	292,463
Current Liabilities			
Borrowings	23	503,387	544,014
Trade payables		69,455	88,196
Other payables		14,593	24,065
		587,435	656,275
Total Liabilities		875,657	948,738
TOTAL EQUITY AND LIABILITIES		2,129,428	2,153,661

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 December 2011

	← Non-Distributable		Distributable		← Attributable to Owners of the Company			→		
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Other Reserves Total RM'000	Asset Revaluation Reserve RM'000	Fair Value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Equity Attributable to Owners of the Company, Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 July 2010	155,839	53,727	251,426	501,060	500,201	-	859	962,052	437	962,489
Effects of adopting FRS 139	-	-	220	-	-	-	-	220	-	220
As restated	155,839	53,727	251,646	501,060	500,201	-	859	962,272	437	962,709
Total comprehensive income	-	-	46,877	(6,672)	-	-	(6,672)	40,205	(195)	40,010
At 31 December 2010	155,839	53,727	298,523	494,388	500,201	-	(5,813)	1,002,477	242	1,002,719

	← Non-Distributable		Distributable		← Attributable to Owners of the Company			→		
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Other Reserves Total RM'000	Asset Revaluation Reserve RM'000	Fair Value Adjustment Reserve RM'000	Foreign Currency Translation Reserve RM'000	Equity Attributable to Owners of the Company, Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 July 2011	155,839	53,727	336,869	658,034	658,973	4,193	(5,132)	1,204,469	454	1,204,923
Total comprehensive income	-	-	33,010	15,935	-	(2,461)	18,396	48,945	(97)	48,848
At 31 December 2011	155,839	53,727	369,879	673,969	658,973	1,732	13,264	1,253,414	357	1,253,771

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Cash Flows
For The Period Ended 31 December 2011

	Note	6 months Ended	
		31.12.11 RM'000	31.12.10 RM'000
Operating Activities			
Profit before tax		40,213	55,174
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	17	15,708	14,668
Gain on disposal of property, plant and equipment		(190)	-
Provision for stock written off	17	5	32
Interest expenses	17	10,461	15,040
Interest income	17	(332)	(247)
Operating profit before working capital changes		65,865	84,667
<u>Changes in working capital:</u>			
Decrease in inventories		64,374	50,853
Increase in receivables		(11,073)	(23,916)
Decrease in payables		(28,213)	(58,863)
Total changes in working capital		25,088	(31,926)
Cash flows from operations		90,953	52,741
Interest paid	17	(10,461)	(15,040)
Income tax paid		(12,612)	(5,325)
Net cash flows from operating activities		67,880	32,376
Investing Activities			
Purchase of property, plant and equipment		(16,791)	(11,236)
Plantation development expenditure		(5,146)	(2,784)
Purchase of investment properties		-	(10)
Proceeds from disposal of property, plant and equipment		422	575
Interest received	17	332	247
Net cash flows used in investing activities		(21,183)	(13,208)
Financing Activities			
Drawdown of bank borrowings		1,144,502	1,790,961
Repayment of bank borrowings		(1,188,370)	(1,790,536)
Net cash flows (used in) / from financing activities		(43,868)	425
Net increase in cash and cash equivalents		2,829	19,593
Effects of exchange rate differences		(7,993)	1,075
Cash and cash equivalents at beginning of year		118,884	53,417
Cash and cash equivalents at end of period		113,720	74,085

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the revaluation of land, buildings and plantation infrastructure included within property, plant and equipment and biological assets.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2011. These explanatory notes attached to the condensed consolidated 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 2011.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2011, except for the adoption of the following Amendments to FRSs, IC Interpretation and Amendments to IC Interpretation:

On 1 July 2011, the Group adopted the following Amendments to FRSs, IC Interpretation and Amendments to IC Interpretation mandatory for annual financial periods beginning on or after 1 July 2011

Effective for financial periods beginning on or after 1 January 2011

- Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
- Amendments to FRS 1: Additional Exception for First-time Adopters
- Amendments to FRS 2: Group Cash – Settled Share-based Payment Transactions
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- IC Interpretation 4: Determining whether an Arrangement contains a Lease
- IC Interpretation 18: Transfers of Assets from Customers
- Amendments to FRSs and IC Interpretation 13 contained in the documents entitled “Improvements to FRSs (2010)”
- Technical Release 3: Guidance on Disclosures of Transition to IFRSs
- Technical Release i4: Shariah Compliant Sale Contracts

Effective for financial periods beginning on or after 1 July 2011

- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirements

The adoption of Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations do not have any significant financial impacts on the results and the financial position of the Group for the current quarter.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2011 was not qualified.

4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 December 2011.

5. Changes in Estimates

There were no material changes in estimates that have had material effects in the current quarter results.

6. Comments About Seasonal or Cyclical Factors

The seasonal or cyclical factors affecting the results of the operations of the Group are general climatic conditions, age profile of oil palms and the cyclical nature of annual production.

7. Dividend Payable

The shareholders approved a first and final single tier dividend of 10 sen per ordinary share (2010: 2 sen per ordinary share) of RM0.50 each at the Sixteen Annual General Meeting held on 16 December 2011. The dividend is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967. The dividend of RM31,167,726.40 will be payable on 9 March 2012.

A Depositor shall qualify for entitlement only in respect of:-

(a) Shares transferred into the Depositors' Securities Account before 4:00pm on 23 February 2012 in respect of the transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad



8. Segmental Information

Segmental information for the current financial period ended 31 December 2011 is as followed:

	Oil palm plantations and palm products processing		Oleochemical Products		Others		Adjustments and eliminations		Per consolidated financial statements	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
3 Months Ended 31 December										
Revenue										
External Sales	263,174	273,356	59,575	68,684	-	-	-	-	322,749	342,040
Inter-segment	162,165	139,106	-	-	2,360	2,719	(164,525)	(141,825)	-	-
Total Revenue	425,339	412,462	59,575	68,684	2,360	2,719	(164,525)	(141,825)	322,749	342,040
Result										
Interest income	119	79	8	5	-	-	-	-	127	84
Depreciation	5,409	5,288	1,768	1,624	470	372	-	-	7,647	7,284
Segment profit/(loss)	14,787	28,751	(2,222)	8,849	26	541	(26)	(541)	12,565	37,600
6 Months Ended 31 December										
Revenue										
External Sales	564,068	487,071	118,532	123,427	-	-	-	-	682,600	610,498
Inter-segment	329,182	263,101	-	-	4,809	5,428	(333,991)	(268,529)	-	-
Total Revenue	893,250	750,172	118,532	123,427	4,809	5,428	(333,991)	(268,529)	682,600	610,498
Result										
Interest income	316	235	16	12	-	-	-	-	332	247
Depreciation	11,326	10,504	3,443	3,221	939	943	-	-	15,708	14,668
Segment profit/(loss)	37,904	41,785	(4,991)	3,389	82	114	(82)	(114)	32,913	45,174

9. Carrying Amount of Revalued Assets

The valuations of land, buildings and plantation infrastructure included within property, plant and equipment and biological assets have been brought forward without amendment from the financial statements for the financial year ended 30 June 2011.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 31 December 2011.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter, except on 5 December 2011, a wholly-owned subsidiary of the Company, Miracle Harvest Sdn Bhd, has subscribed for 2 ordinary shares of RM1.00 each, representing 100% equity interest in Gagasan Usahasama Sdn Bhd, a company incorporated in Malaysia, for a total cash consideration of RM2.00.

12. Capital Commitments

The amount of capital commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 December 2011 is as follows:

Approved and contracted for	<i>RM'000</i> <u>24,950</u>
-----------------------------	--------------------------------

13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

The Company has provided corporate guarantees to secure banking facilities granted to the company and its subsidiary companies. The amount utilised and outstanding as at 31 December 2011 amounted to approximately RM365 million.

14. Subsequent Events

There were no material events subsequent to the end of the current quarter.

15. Performance Review

Oil palm plantations and palm products processing

This major segment of the Group has contributed 82% of the Group's revenue. For the current quarter under review, the Group recorded revenue of RM263,174,000 compared with RM273,356,000 reported in the corresponding period of the preceding year, a decrease of RM10,182,000 or 4%. The decrease was mainly due to decrease in palm products' sales volume in the current quarter compared to corresponding period of the preceding year.

The average CPO price traded for current quarter was RM3,153 per MT as compared to RM2,717 per MT in Q2 FYE2011.

Oleochemical

This division has accounted for 18% of the total Group's revenue for the quarter. The revenue for the division has decreased by 13% from RM68,684,000 in Q2 FYE 2011 to RM59,575,000 Q2 FYE 2012. The decrease is mainly due to reduction in sales volume.

Others

Others segments' results are insignificant to the Group.

16. Comment on Material Change in Profit Before Tax

Profit before tax of the Group has decreased by RM25,595,000 or 62% from RM41,350,000 in Q2 FYE2011 to RM15,755,000 in Q2 FYE2012. The decrease was principally attributed by lower sales volume and lower processing margin compared to preceding quarter.

17. Profit before tax

Profit before tax for the period is arrived at after crediting / (charging):

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2011</i>	<i>31.12.2010</i>	<i>31.12.2011</i>	<i>31.12.2010</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Interest income	127	84	332	247
Other income	2,062	427	3,198	1,405
Interest expense	(5,151)	(7,229)	(10,461)	(15,040)
Depreciation on property, plant & equipment	(7,647)	(7,284)	(15,708)	(14,668)
Provision for stock written off	(3)	(30)	(5)	(32)
Realised foreign exchange gain / (loss)	792	2,048	1,569	(191)

18. Commentary on Prospects

Due to the strong prices of palm products, the Board of Directors expects the results of the Group for the current financial year to be encouraging.

19. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit and forecast profit and for the shortfall in profit guarantee are not applicable.

20. Income Tax Expense

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2011</i>	<i>31.12.2010</i>	<i>31.12.2011</i>	<i>31.12.2010</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current income tax:				
- Malaysian income tax	(3,690)	(4,000)	(8,300)	(10,500)
Deferred tax	500	250	1,000	500
Total income tax expense	<u>(3,190)</u>	<u>(3,750)</u>	<u>(7,300)</u>	<u>(10,000)</u>

The effective tax rate for the current quarter was lower than the statutory income tax rate principally due to the availability of capital, agricultural and reinvestment allowances and double tax deduction of certain subsidiary companies for set-off against the current period's taxable profit for its plantations and palm product processing operations.

21. Corporate Proposals

There are no corporate proposals announced but not completed as at 23 February 2012.

22. Retained Earnings

The breakdown of retained profits of the Group as at 31 December 2011 is as follows:

	<i>As at</i> <i>31.12.2011</i> <i>RM'000</i>	<i>As at</i> <i>30.6.2011</i> <i>RM'000</i> <i>(Audited)</i>
Total retained earnings of the Company and its subsidiaries:		
- Realised	614,278	608,110
- Unrealised	<u>(71,138)</u>	<u>(71,638)</u>
	543,140	536,472
Less: Consolidation adjustments	<u>(173,261)</u>	<u>(199,603)</u>
Total group retained earnings as per consolidated accounts	<u>369,879</u>	<u>336,869</u>

23. Borrowings

The Group borrowing, which is secured, was as follows:

Short term borrowings		
- Secured	503,387	544,014
Long term borrowings		
- Secured	175,423	178,664
	<u>678,810</u>	<u>722,678</u>

23. Borrowings (continued)

Included in long term secured borrowings are RM40 million and RM135 million nominal value of Sukuk Ijarah and term loan respectively.

Borrowings denominated in foreign currency:

	USD '000	RMB '000	RM'000 equivalent
United States Dollars	102,018	-	322,452
Renminbi	-	30,730	15,494
Total	<u>102,018</u>	<u>30,730</u>	<u>337,946</u>

24. Material Litigation

- I) An import/export agent filed a claim on 26 May 2009 against Dongma Oils & Fats (Guangzhou Free Trade Zone) Co. Ltd. (DMGZ), a subsidiary of the Group, for releasing 4,500 metric tonnes of RBD OLN with market value about RM16.59 million without their consent. DMGZ contended that proper authorisation has been received for the release of goods. On 30 November 2010, judgement was awarded to DMGZ but the plaintiff filed his appeal on 16 December 2010. Legal proceeding is now in progress.
- II) On 15 April 2010, DMGZ received a claim to deliver 1,700 metric tonnes of refined palm oil product with market value of RM6.3 million (RMB13 million) from a third party. The plaintiff also claiming for interest loss due to non-delivery of goods amounting to approximately RM1.21 million (RMB2.5 million) calculated up to the date of affidavit. The plaintiff claimed that the agent stored the oil in DMGZ's tank but DMGZ contended that the oil stored by the agent has already been despatched to their customers based on the said agent's instruction. Legal proceeding is now in progress.

Other than the above, there were no material changes in material litigation, including the status of pending material litigation since the date of last annual statement of financial position date of 30 June 2011.

25. Dividend

No interim dividend has been declared for the financial year ending 30 June 2012.

26. Earnings Per Share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2011</i>	<i>31.12.2010</i>	<i>31.12.2011</i>	<i>31.12.2010</i>
Profit for the period attributable to owners of the Company (RM'000)	12,607	37,667	33,010	45,369
Weighted average number of ordinary shares in issue ('000)	311,677	311,677	311,677	311,677
Basic earnings per share (sen)	4.05	12.09	10.59	14.56

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares and shares options granted to employees.

	<i>3 months ended</i>		<i>6 months ended</i>	
	<i>31.12.2011</i>	<i>31.12.2010</i>	<i>31.12.2011</i>	<i>31.12.2010</i>
Profit for the period attributable to owners of the Company (RM'000)	12,607	37,667	33,010	45,369
Weighted average number of ordinary shares in issue ('000):	311,677	311,677	311,677	311,677
Effect of dilution:				
Share options	-	5,087	-	5,087
Adjusted weighted average number of ordinary shares in issue and issuable	311,677	316,764	311,677	316,764
Diluted earnings per share (sen)	4.05	11.87	10.59	14.30

27. Authorisation for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 February 2012.