



Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 31 March 2014

	Note	3 months Ended		9 months Ended	
		31.3.14 RM'000	31.3.13 RM'000	31.3.14 RM'000	31.3.13 RM'000
Revenue	8	437,945	450,166	1,240,025	1,369,630
Cost of Sales		(388,514)	(402,450)	(1,095,572)	(1,230,189)
Gross Profit		49,431	47,716	144,453	139,441
Other Items of Income					
Interest Income		420	156	1,211	320
Other Operating Income		702	3,418	5,306	4,768
Other Items of Expenses					
Selling Expenses		(14,867)	(15,000)	(40,509)	(48,765)
Administrative Expenses		(15,161)	(12,770)	(35,684)	(32,181)
Finance Costs		(8,122)	(5,774)	(20,904)	(20,417)
Profit Before Tax	8	12,403	17,746	53,873	43,166
Income Tax Expense	20	(3,325)	(4,199)	(8,182)	(7,592)
Profit For The Period		9,078	13,547	45,691	35,574
Other Comprehensive Profit/(Loss):					
Foreign Currency Translation		(4,062)	3,567	10,171	(5,915)
		(4,062)	3,567	10,171	(5,915)
Total Comprehensive Profit For The Period		5,016	17,114	55,862	29,659
Profit/(Loss) For The Period Attributable To:					
Owners of the Company		9,117	13,552	45,769	35,726
Non-controlling Interests		(39)	(5)	(78)	(152)
		9,078	13,547	45,691	35,574
Total Comprehensive Profit/(Loss) Attributable To:					
Owners of the Company		5,055	17,119	55,940	29,811
Non-controlling Interests		(39)	(5)	(78)	(152)
		5,016	17,114	55,862	29,659
Earnings Per Share Attributable to Owners Of The Company (Sen Per Share):					
Basic	26 (a)	2.93	4.35	14.68	11.46
Diluted	26 (b)	2.93	4.35	14.68	11.46

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position
As At 31 March 2014

	Note	As at 31.3.14 RM'000	As at 30.06.13 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	1,168,390	1,177,097
Biological assets	9	703,280	696,924
Investment properties		10,801	9,744
Land use rights	1,898,656	16,185	15,957
Other receivables		8,853	8,741
		<u>1,907,509</u>	<u>1,908,463</u>
Current Assets			
Inventories		149,094	135,525
Derivative assets		2,897	2,330
Trade receivables		140,534	123,434
Other receivables		29,246	30,508
Tax recoverable		10,827	10,229
Cash and bank balances		72,837	97,816
		<u>405,435</u>	<u>399,842</u>
TOTAL ASSETS		<u><u>2,312,944</u></u>	<u><u>2,308,305</u></u>
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	400,833	370,647
Other reserves		814,431	804,260
		<u>1,424,830</u>	<u>1,384,473</u>
Non-controlling interests		37	115
Total Equity		<u>1,424,867</u>	<u>1,384,588</u>
Non-Current Liabilities			
Borrowings	23	105,780	140,438
Deferred tax liabilities		135,714	136,964
		<u>241,494</u>	<u>277,402</u>
Current Liabilities			
Borrowings	23	554,660	543,195
Trade payables		78,559	86,258
Other payables		13,364	16,862
		<u>646,583</u>	<u>646,315</u>
Total Liabilities		<u>888,077</u>	<u>923,717</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,312,944</u></u>	<u><u>2,308,305</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For The Period Ended 31 March 2014

	Non-Distributable		Distributable		Attributable to Owners of the Company			Attributable to Owners of the Company			Total Equity RM'000
	Non-Distributable		Distributable		Non-Distributable			Equity Attributable to Owners of the Company, Total			
	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	Non-controlling Interests RM'000	Equity Attributable to Owners of the Company, Total RM'000		
At 1 July 2012	155,839	53,727	340,550	805,611	787,145	4,193	14,273	286	1,355,727	1,356,013	
Total comprehensive income	-	-	35,726	(5,915)	-	-	(5,915)	(152)	29,811	29,659	
Dividend paid on ordinary shares	-	-	(15,583)	-	-	-	-	-	(15,583)	(15,583)	
At 31 March 2013	155,839	53,727	360,693	799,696	787,145	4,193	8,358	134	1,369,955	1,370,089	
At 1 July 2013	155,839	53,727	370,647	804,260	783,200	4,193	16,867	115	1,384,473	1,384,588	
Total comprehensive income	-	-	45,769	10,171	-	-	10,171	(78)	55,940	55,862	
Dividend paid on ordinary shares	-	-	(15,583)	-	-	-	-	-	(15,583)	(15,583)	
At 31 March 2014	155,839	53,727	400,833	814,431	783,200	4,193	27,038	37	1,424,830	1,424,867	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statements of Cash Flows
For The Period Ended 31 March 2014

	9 months Ended	
	31.3.14	31.3.13
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before taxation	53,873	43,166
Adjustments for:		
Depreciation of property, plant and equipment	29,679	24,739
Gain on disposal of property, plant and equipment	(151)	(88)
Amortisation of Sukuk Ijarah	375	375
Fair value gain on forward currency contract	(567)	-
Interest expense	20,529	20,042
Interest income	(1,211)	(320)
Operating cash flows before working capital changes	102,527	87,914
Changes in working capital:		
Increase in inventories	(13,569)	(44,883)
Increase in receivables	(15,950)	(18,909)
(Decrease)/ increase in payables	(11,197)	37,148
Total changes in working capital	(40,716)	(26,644)
Cash flows from operations	61,811	61,270
Income tax paid	(11,454)	(9,021)
Income tax refunded	4,384	7,788
Interest paid	(20,904)	(20,417)
Net cash flows generated from operating activities	33,837	39,620
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,338)	(23,203)
Plantation development expenditure	(6,356)	(3,700)
Purchase of investment properties	(1,057)	(12)
Proceeds from disposal of property, plant and equipment	249	181
Interest received	1,211	320
Net cash flows used in investing activities	(16,291)	(26,414)
FINANCING ACTIVITIES		
Drawdown of short term revolving credits	180,375	20,375
Repayment of short term revolving credits	(170,000)	(44,878)
Drawdown of term loans	1,948	80,320
Repayment of term loans	(30,441)	(58,339)
Drawdown of hire purchase financing	663	4,224
Repayment of hire purchase financing	(2,232)	(1,793)
Drawdown of bankers' acceptances and trust receipts	1,803,428	1,762,851
Repayment of bankers' acceptances and trust receipts	(1,806,934)	(1,768,897)
Dividend paid	(15,583)	(15,583)
Net cash flows used in financing activities	(38,776)	(21,720)
Net decrease in cash and cash equivalents	(21,230)	(8,514)
Effect of exchange rate differences	(3,749)	1,480
Cash and cash equivalents at beginning of period	97,816	129,846
Cash and cash equivalents at end of period	72,837	122,812

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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 2013. 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 2013.

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 2013, except for the adoption of the following new/amendments to FRSs:

On 1 July 2013, the Group adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 July 2013

Effective for financial periods beginning on or after 1 January 2013

- FRS 10: Consolidated Financial Statements
- FRS 11: Joint Arrangements
- FRS 12: Disclosure of Interests in Other Entities
- FRS 13: Fair Value Measurement
- FRS 119: Employee Benefits
- FRS 127: Separate Financial Statements
- FRS 128: Investment in Associate and Joint Ventures
- IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 1: First-Time Adoption of Malaysian Financial Reporting Standards – Government Loans
- Amendments to FRS 1: First-Time Adoption of Malaysian Financial Reporting Standards
- Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance
- Amendments to FRS 7: Disclosure – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 11: Joint Arrangements: Transition Guidance
- Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance
- Improvements to FRS issued in 2012
- Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities
- FRS 9: Financial Instruments

The adoption of the above new/amended FRSs do not have any significant financial impacts on the results and the financial position of the Group for the current quarter, except as disclosed below:

FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Group is in the process of making an assessment of the impact of adoption of FRS 9.

FRS 10: Consolidated Financial Statements

FRS 10 replaces the portion of FRS 127: Consolidated and separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

FRS 12: Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 13: Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted. The Group is currently assessing the impact of adoption of FRS 13.

FRS 127: Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

The amendments require additional information to be disclosed to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right to set off that must be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

As stated in our audited financial statements for the financial year ended 30 June 2013, the Group has yet to adopt the Malaysian Financial Reporting Standards (“MFRS”) framework, but has elected to be a transitioning entity which will only adopt the MFRS framework for the financial year ending 30 June 2016.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 30 June 2013 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 current quarter under review.

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

At the Eighteenth Annual General Meeting held on 30 December 2013, the shareholders approved a first and final single tier dividend of 5 sen per ordinary share of RM0.50 each, amounting to RM15,583,863.20 paid on 17 March 2014 in respect of the financial year ended 30 June 2013 (2012: 5 sen per ordinary share).



Notes to the Condensed Consolidated Interim Financial Statements – 31 March 2014

8. Segmental Information

Segmental information for the current financial period ended 31 March 2014 is as follows:

	<i>Oil palm plantations and palm products processing</i>		<i>Oleochemical Products</i>		<i>Others</i>		<i>Adjustments and eliminations</i>		<i>Per consolidated financial statements</i>	
	<i>31.3.14</i>	<i>31.3.13</i>	<i>31.3.14</i>	<i>31.3.13</i>	<i>31.3.14</i>	<i>31.3.13</i>	<i>31.3.14</i>	<i>31.3.13</i>	<i>31.3.14</i>	<i>31.3.13</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
3 Months Ended 31 March										
Revenue										
External Sales	372,607	387,163	65,338	63,003	-	-	-	-	437,945	450,166
Inter-segment	-	-	-	-	1,233	2,513	(1,233)	(2,513)	-	-
Total Revenue	372,607	387,163	65,338	63,003	1,233	2,513	(1,233)	(2,513)	437,945	450,166
Results										
Interest income	388	145	32	11	-	-	-	-	420	156
Depreciation	8,405	5,931	1,772	1,826	241	469	-	-	10,418	8,226
Segment profit/(loss)	11,448	20,562	799	(1,934)	156	(882)	-	-	12,403	17,746
9 Months Ended 31 March										
Revenue										
External Sales	1,052,772	1,189,428	187,253	180,202	-	-	-	-	1,240,025	1,369,630
Inter-segment	-	-	-	-	3,834	6,781	(3,834)	(6,781)	-	-
Total Revenue	1,052,772	1,189,428	187,253	180,202	3,834	6,781	(3,834)	(6,781)	1,240,025	1,369,630
Results										
Interest income	1,116	294	95	26	-	-	-	-	1,211	320
Depreciation	23,248	17,928	5,115	5,401	1,316	1,410	-	-	29,679	24,739
Segment profit/(loss)	52,583	50,101	1,232	(5,826)	58	(1,109)	-	-	53,873	43,166

9. Carrying Amount of Revalued Assets

The valuation 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 2013.

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 March 2014.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

12. Capital Commitments

There were no capital commitments for the purchase of property, plant and equipment not provided for in the financial statements as at 31 March 2014.

13. Changes in Contingent Liabilities and Contingent Assets

Unsecured

The Company has provided corporate guarantees to secure banking facilities granted to its subsidiary companies. The amount utilised and outstanding as at 31 March 2014 amounted to approximately RM441 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 has contributed 85% of the Group's total revenue. For the current quarter under review, the segment recorded a revenue of RM372,607,000, as compared to the revenue reported in the corresponding period of preceding period, there is a decrease of 4% or RM14,556,000 in value. The realised CPO average unit selling price increased from RM2,448/MT in Q3 YE2013 to RM2,524/MT for the current quarter. The decrease in revenue is principally attributed to the drop of sales volume, particularly for the sales of RBD Palm Olein which has dropped significantly in demand for this quarter.

Oleochemicals

Oleochemical division has accounted for 15% of the total Group's revenue for this quarter. The revenue has increased by RM2,335,000 in value to RM65,338,000 for this quarter. The increase is primarily resulting from the increase of sales volume traded in Stearic acid and Glycerine, as compared to the corresponding quarter of preceding year.

Others

Others segments' results are insignificant to the Group.

16. Comment on Material Change in Profit Before Tax

Profit before tax of the Group during the quarter has decreased by 30% or RM5,343,000 in value for the current quarter. The decrease was principally attributed by the following:

- a) higher administrative expenses incurred for the current quarter. The increase was in line with the annual increment of staff costs; and
- b) decrease in other operating income due to lesser gain in foreign exchange for the current quarter.

17. Profit before tax

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

	<i>3 months ended</i>		<i>9 months ended</i>	
	<i>31.3.2014</i>	<i>31.3.2013</i>	<i>31.3.2014</i>	<i>31.3.2013</i>
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Interest income	420	156	1,211	320
Interest expense	(8,122)	(5,774)	(20,904)	(20,417)
Gain on disposal of property, plant & equipment	80	3	151	88
Fair value gain on forward currency contracts	308	-	567	-
Depreciation on property, plant & equipment	(10,418)	(8,226)	(29,679)	(24,739)
Realised foreign exchange (loss)/gain	(1,480)	1,365	(1,124)	1,286

18. Commentary on Prospects

The recovery of the global economy remains slow and uneven, therefore the performance of the Group and the oil palm sector remain challenging.

Nevertheless, the Board of Directors expects that the Group will perform satisfactorily with sustainable performance and remains steadfast to its commitment to consistently enhance shareholders' return.

The Board of Directors is cautiously optimistic that the prospects for the oil palm industry remains bright in light of other various bullish demand factors and pricing trend is expected to be bullish in the near mid terms. The group is also actively exploring expansion opportunities by increasing its planting acreage in Malaysia.

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>9 months ended</i>	
	<i>31.3.2014</i>	<i>31.3.2013</i>	<i>31.3.2014</i>	<i>31.3.2013</i>
Current income tax:	(3,575)	(4,199)	(9,432)	(8,342)
- Malaysian income tax				
Deferred tax	250	-	1,250	750
Total income tax expense	(3,325)	(4,199)	(8,182)	(7,592)

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 quarter's taxable profit for its plantations and palm product processing operations and certain expenses which are not deductible for tax purposes.

21. Corporate Proposals

There are no corporate proposals announced but not completed as at 26 May 2014.

22. Retained Earnings

The breakdown of retained profits of the Group as at 31 March 2014 is as follows:

	<i>As at</i> <i>31.3.2014</i> <i>RM'000</i>	<i>As at</i> <i>30.6.2013</i> <i>RM'000</i> <i>(Audited)</i>
Total retained earnings of the Company and its subsidiaries:		
- Realised	708,447	654,138
- Unrealised	(107,936)	(109,186)
	600,511	544,952
Less: Consolidation adjustments	(199,678)	(174,305)
Total group retained earnings as per consolidated accounts	400,833	370,647

23. Borrowings

The Group borrowings, which are secured, were as follows:

	<i>As at 31.3.2014 RM'000</i>	<i>As at 30.6.2013 RM'000 (Audited)</i>
Short term borrowings		
- Secured	554,660	543,195
Long term borrowings		
- Secured	105,780	140,438
	<u>660,440</u>	<u>683,633</u>

Included in long term secured borrowings is RM106 million nominal value of term loans.

Borrowings denominated in foreign currency:

	USD '000	RMB '000	RM'000 equivalent
United States Dollars	96,944	-	318,778
Renminbi	-	33,411	17,751
Total	<u>96,944</u>	<u>33,411</u>	<u>336,529</u>

24. Material Litigation

There was no material litigation as at 26 May 2014.

25. Dividend

No interim dividend has been declared for the financial year ending 30 June 2014.

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>9 months ended</i>	
	<i>31.3.2014</i>	<i>31.3.2013</i>	<i>31.3.2014</i>	<i>31.3.2013</i>
Profit for the period attributable to owners of the Company (RM'000)	9,117	13,552	45,769	35,726
Weighted average number of ordinary shares in issue ('000)	311,677	311,677	311,677	311,677
Basic earnings per share (sen)	<u>2.93</u>	<u>4.35</u>	<u>14.68</u>	<u>11.46</u>

(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>9 months ended</i>	
	<i>31.3.2014</i>	<i>31.3.2013</i>	<i>31.3.2014</i>	<i>31.3.2013</i>
Profit for the period attributable to owners of the Company (RM'000)	9,117	13,552	45,769	35,726
Weighted average number of ordinary shares in issue ('000):	311,677	311,677	311,677	311,677
Effect of dilution: Share options	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>311,677</u>	<u>311,677</u>	<u>311,677</u>	<u>311,677</u>
Diluted earnings per share (sen)	<u>2.93</u>	<u>4.35</u>	<u>14.68</u>	<u>11.46</u>

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 May 2014.