

Condensed Consolidated Statement of Comprehensive Income
For The Year Ended 30 June 2013

	Note	3 months Ended		12 months Ended	
		30.6.13 RM'000	30.6.12 RM'000	30.6.13 RM'000	30.6.12 RM'000 (Audited)
Revenue	8	495,563	354,430	1,865,193	1,299,626
Cost of Sales		(463,184)	(331,502)	(1,693,373)	(1,154,193)
Gross Profit		32,379	22,928	171,820	145,433
Other Items of Income					
Interest Income	8	196	140	516	968
Other Operating Income		1,927	6,958	6,695	9,544
Other Items of Expenses					
Selling Expenses		(12,002)	(8,484)	(60,767)	(41,417)
Administrative Expenses		(9,858)	(8,301)	(42,039)	(40,481)
Finance Costs		(5,555)	(8,994)	(25,972)	(24,862)
Profit Before Tax	8	7,087	4,247	50,253	49,185
Income Tax Expense	20	956	(5,794)	(6,636)	(15,600)
Profit/(Loss) For The Period/Year		8,043	(1,547)	43,617	33,585
Other Comprehensive Profit:					
Gain on Fair Value Changes in Derivatives		-	4,085	-	-
Foreign Currency Translation		8,509	12,826	2,594	19,405
Revaluation of Plantation Infrastructure, Lands, and Biological Assets		-	128,172	-	128,172
Revaluation reserve realised upon depreciation charged		-	1,096	-	1,096
		8,509	146,179	2,594	148,673
Total Comprehensive Profit For The Period/Year		16,552	144,632	46,211	182,258
Profit/(Loss) For The Period/Year Attributable To:					
Owners of the Company		7,973	(1,487)	43,699	33,753
Non-controlling Interests		70	(60)	(82)	(168)
		8,043	(1,547)	43,617	33,585
Total Comprehensive Profit/(Loss) Attributable To:					
Owners of the Company		16,482	144,692	46,293	182,426
Non-controlling Interests		70	(60)	(82)	(168)
		16,552	144,632	46,211	182,258
Earnings/(Loss) Per Share Attributable to Owners Of The Company (Sen Per Share):					
Basic	26 (a)	2.56	(0.48)	14.02	10.83
Diluted	26 (b)	2.56	(0.48)	14.02	10.83

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statement of Financial Position
As At 30 June 2013

	Note	As at 30.6.13 RM'000	As at 30.06.12 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	9	1,177,446	1,160,459
Biological assets	9	696,926	688,462
Investment properties		9,744	9,732
Land use rights		15,957	16,014
Deferred tax assets		2,268	2,406
Other receivables		8,659	18,985
		<u>1,911,000</u>	<u>1,896,058</u>
Current Assets			
Inventories		135,525	172,317
Derivative assets		2,330	2,283
Trade receivables		122,726	77,985
Other receivables		28,550	37,909
Tax recoverable		10,648	14,913
Cash and bank balances		97,970	129,846
		<u>397,749</u>	<u>435,253</u>
TOTAL ASSETS		<u>2,308,749</u>	<u>2,331,311</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	368,665	340,550
Other reserves		808,205	805,611
		<u>1,386,436</u>	<u>1,355,727</u>
Non-controlling interests		<u>204</u>	<u>286</u>
Total Equity		<u>1,386,640</u>	<u>1,356,013</u>
Non-Current Liabilities			
Borrowings	23	133,733	153,982
Deferred tax liabilities		137,900	141,369
		<u>271,633</u>	<u>295,351</u>
Current Liabilities			
Borrowings	23	550,297	612,230
Trade payables		85,244	47,511
Other payables		14,935	20,206
		<u>650,476</u>	<u>679,947</u>
Total Liabilities		<u>922,109</u>	<u>975,298</u>
TOTAL EQUITY AND LIABILITIES		<u>2,308,749</u>	<u>2,331,311</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2013

	Non-Distributable		Distributable		Attributable to Owners of the Company				Equity Attributable to Owners of the Company, Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	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			
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	-	-	34,849	147,577	128,172	-	19,405	182,426	(168)	182,258	
Dividend paid on ordinary share	-	-	(31,168)	-	-	-	-	(31,168)	-	(31,168)	
At 30 June 2012	155,839	53,727	340,550	805,611	787,145	4,193	14,273	1,355,727	286	1,356,013	
At 1 July 2012	155,839	53,727	340,550	805,611	787,145	4,193	14,273	1,355,727	286	1,356,013	
Total comprehensive income	-	-	43,699	2,594	-	-	2,594	46,293	(82)	46,211	
Dividend paid on ordinary share	-	-	(15,584)	-	-	-	-	(15,584)	-	(15,584)	
At 30 June 2013	155,839	53,727	368,665	808,205	787,145	4,193	16,867	1,386,436	204	1,386,640	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.



Condensed Consolidated Statements of Cash Flows
For The Year Ended 30 June 2013

	12 months Ended	
	30.6.13 RM'000	30.6.12 RM'000 (Audited)
OPERATING ACTIVITIES		
Profit before taxation	50,253	49,185
Adjustments for:		
Amortisation of land use rights	850	689
Depreciation of property, plant and equipment	33,569	34,615
Fair value gain/(loss) on forward currency contract	47	(2,129)
Gain on disposal of property, plant and equipment	(88)	(158)
Amortisation of Sukuk Ijarah	500	500
Unrealised foreign exchange gain	(1,904)	(5,010)
Interest expense	25,472	24,362
Interest income	(516)	(968)
Operating cash flows before working capital changes	108,183	101,086
Changes in working capital:		
Movement in inventories	36,792	62,854
Movement in receivables	(24,737)	(21,047)
Movement in payables	38,829	(44,544)
Total changes in working capital	50,884	(2,737)
Cash flows from operations	159,067	98,349
Income tax paid	(13,605)	(25,530)
Income tax refunded	7,788	-
Interest paid	(24,972)	(24,492)
Net cash flows generated from operating activities	128,278	48,327
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(51,442)	(38,384)
Plantation development expenditure	(8,464)	(6,599)
Purchase of investment properties	(12)	-
Proceeds from disposal of property, plant and equipment	181	881
Interest received	516	968
Net cash flows used in investing activities	(59,221)	(43,134)
FINANCING ACTIVITIES		
Drawdown of short term revolving credits	151,898	174,099
Repayment of short term revolving credits	(129,575)	(209,995)
Repayment of Sukuk Ijarah	(20,000)	(20,000)
Drawdown of term loans	104,463	72,495
Repayment of term loans	(82,973)	(53,713)
Repayment of hire purchase financing	(2,464)	(1,116)
Drawdown of bankers' acceptances	2,293,459	1,959,288
Repayment of bankers acceptances	(2,402,752)	(1,882,430)
Dividend paid	(15,583)	(31,168)
Net cash flows (used in)/generated from financing activities	(103,527)	7,460
Net (decrease)/increase in cash and cash equivalents	(34,470)	12,653
Effect of exchange rate differences	2,594	(1,691)
Cash and cash equivalents at beginning of year	129,846	118,884
Cash and cash equivalents at end of year	97,970	129,846

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2012 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 2012. 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 2012.

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 2012, except for the adoption of the following new/amendments to FRSs:

On 1 July 2012, the Group adopted the following new and amended FRSs mandatory for annual financial periods beginning on or after 1 July 2012

Effective for financial periods beginning on or after 1 January 2012

- FRS 124: Related Party Disclosures
- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- Amendments to FRS 112: Deferred Tax – Recovery of Underlying Assets
- Amendments to FRS 7: Transfers of Financial Assets

Effective for financial periods beginning on or after 1 March 2012

- Amendments to FRS 9 (IFRS 9(2009), FRS 9(IFRS 9(2010)), and FRS 7: Mandatory Effective Date of FRS 9 and Transition Disclosures

Effective for financial periods beginning on or after 1 July 2012

- Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

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.

As stated in our audited financial statements for the financial year ended 30 June 2012, 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 2015.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 30 June 2012 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 Seventeen Annual General Meeting held on 19 December 2012, 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 9 March 2013 in respect of the financial year ended 30 June 2012 (2011: 10 sen per ordinary share).



Notes to the Condensed Consolidated Interim Financial Statements – 30 June 2013

8. Segmental Information

Segmental information for the current financial year ended 30 June 2013 is as followed:

	<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>30.6.13</i>	<i>30.6.12</i>	<i>30.6.13</i>	<i>30.6.12</i>	<i>30.6.13</i>	<i>30.6.12</i>	<i>30.6.13</i>	<i>30.6.12</i>	<i>30.6.13</i>	<i>30.6.12</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 30 June										
Revenue										
External Sales	425,007	294,147	70,556	60,279	-	-	4	-	495,563	354,430
Inter-segment	-	-	-	-	3,480	826	(3,480)	(826)	-	-
Total Revenue	425,007	294,147	70,556	60,279	3,480	830	(3,480)	(826)	495,563	354,430
Results										
Interest income	181	117	15	10	-	13	-	-	196	140
Depreciation	4,684	5,647	4,538	6,016	458	471	-	-	9,680	12,134
Segment profit/(loss)	4,125	3,747	1,756	1,197	1,206	(697)	-	-	7,087	4,247
12 Months Ended 30 June										
Revenue										
External Sales	1,614,435	1,073,500	250,758	226,122	-	4	-	-	1,865,193	1,299,626
Inter-segment	-	-	-	-	10,261	7,241	(10,261)	(7,241)	-	-
Total Revenue	1,614,435	1,073,500	250,758	226,122	10,261	7,245	(10,261)	(7,241)	1,865,193	1,299,626
Results										
Interest income	475	922	41	33	-	13	-	-	516	968
Depreciation	22,612	22,238	9,939	11,185	1,868	1,881	-	-	34,419	35,304
Segment profit/(loss)	54,226	69,269	(4,070)	(17,655)	97	(2,429)	-	-	50,253	49,185

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 2012.

10. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter ended 30 June 2013.

11. Changes in Composition of the Group

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

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 30 June 2013 is as follows:

Approved and contracted for

RM'000
2,546

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 30 June 2013 amounted to approximately RM469 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 86% of the Group's total revenue. For the current quarter under review, the segment recorded a revenue of RM425,007,000, as compared to the revenue reported in the corresponding period of preceding year, there is an increase of 45% or RM130,860,000 in value. The increase is principally attributed to the increase in sales volume of palm products, offset with the effect of lower average selling prices realised in the current quarter compared to the corresponding quarter of preceding year.

The average selling price of CPO traded for this quarter was RM2,225 per MT as compared to RM2,974 per MT traded in the corresponding quarter of preceding year.

Oleochemicals

Oleochemical division has accounted for 14% of the total Group's revenue for this quarter. The revenue has increased by RM10,277,000 in value to RM70,556,000 this quarter. The increase is primarily results from the increase in sales volume of stearic acid, a 38% increase 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 increased by 67% or RM2,840,000 in value. The increase was principally attributed by the following:

- higher sales volume of palm products offset with weaker selling prices realised; and
- lower finance costs which is in line with lower borrowings during the year under review; and off-set by
- higher selling expenses which is in line with the increase in sales volume coupled with higher unit freight charges.

17. Profit before tax

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

	<i>3 months ended</i>		<i>12 months ended</i>	
	<i>30.6.2013</i>	<i>30.6.2012</i>	<i>30.6.2013</i>	<i>30.6.2012</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Interest income	196	140	516	968
Interest expense	(5,555)	(8,994)	(25,972)	(24,862)
Gain on disposal of property, plant & equipment	-	(32)	88	158
Fair value gain/(loss) on forward currency contracts	47	(2,129)	47	(2,129)
Depreciation on property, plant & equipment	(9,680)	(12,134)	(34,419)	(35,304)
Unrealised foreign exchange gain	618	5,010	1,904	5,010

18. Commentary on Prospects

The recovery of the global economy remains slow, therefore the performance of the Group and the oil palm sector remain challenging. Furthermore, the performance of the China economy, which is the major palm oil buyer from Malaysia, is expected to be lower compared to the previous year due to economic structural reform by the new leadership.

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

The Board of Directors is cautiously optimistic that the prospects for the oil palm industry remain bright in light of other various bullish demand factors while 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>12 months ended</i>	
	<i>30.6.2013</i>	<i>30.6.2012</i>	<i>30.6.2013</i>	<i>30.6.2012</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Current income tax:				
- Malaysian income tax	(1,605)	(5,598)	(9,947)	(16,404)
- Foreign tax	(20)	(20)	(20)	(20)
Deferred tax	2,581	(176)	3,331	824
Total income tax expense	956	(5,794)	(6,636)	(15,600)

The effective tax rate for the current year 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 year'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 25 August 2013.

22. Retained Earnings

The breakdown of retained profits of the Group as at 30 June 2013 is as follows:

	<i>As at</i> 30.6.2013 <i>RM'000</i>	<i>As at</i> 30.6.2012 <i>RM'000</i> <i>(Audited)</i>
Total retained earnings of the Company and its subsidiaries:		
- Realised	663,185	620,596
- Unrealised	(107,855)	(111,186)
	<u>555,330</u>	<u>509,410</u>
Less: Consolidation adjustments	(186,665)	(168,860)
Total group retained earnings as per consolidated accounts	<u>368,665</u>	<u>340,550</u>

23. Borrowings

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

Short term borrowings		
- Secured	550,297	612,230
Long term borrowings		
- Secured	133,733	153,982
	<u>684,030</u>	<u>766,212</u>

Included in long term secured borrowings is RM138 million nominal value of term loans.

Borrowings denominated in foreign currency:

	USD '000	RMB '000	RM'000 equivalent
United States Dollars	94,395	-	293,713
Renminbi	-	121,320	62,411
Total	<u>94,395</u>	<u>121,320</u>	<u>356,124</u>

24. Material Litigation

- i) On 18 March 1998, the Group is disputing a claim amounting to approximately RM8 million together with interests and costs from a commercial bank (“CB”) on two foreign currency forward contracts alleged to have been entered into by a subsidiary company.

In respect of the 1st foreign currency forward contract, judgment for the sum of RM2.6 million had been obtained by the CB on 24 March 1999. Subsequently, the Group filed a Notice of Appeal to the Court of Appeal and the Judge was found in favour of the Group. The CB was then ordered to refund the sum of RM3.2 million together with interests and costs to the Group.

In respect of the 2nd foreign currency forward contract, the CB is claiming for RM5 million together with interests and costs. The High Court Judge found in favour of the CB. However, the Group has applied for a stay of execution of the Judgment. The Court held that the execution of the Judgment be stayed provided that a sum of RM6.8 million (“Sum”) be deposited into an interest bearing account in the joint names of the CB and the Group’s solicitors. The said Sum shall be paid to the successful party after the disposal of the Appeal. The Group’s lawyers are of the opinion that the Group has a good prospect of succeeding in the Court of Appeal.

- 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 claims that his 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 2012.

25. Dividend

No interim dividend has been declared for the financial year ending 30 June 2013.

26. Earnings/(Loss) Per Share

(a) Basic

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

	<i>3 months ended</i>		<i>12 months ended</i>	
	<i>30.6.2013</i>	<i>30.6.2012</i>	<i>30.6.2013</i>	<i>30.6.2012</i> <i>(Audited)</i>
Profit/(loss) for the period/year attributable to owners of the Company (RM’000)	7,973	(1,487)	43,699	33,753
Weighted average number of ordinary shares in issue (‘000)	311,677	311,677	311,677	311,677
Basic earnings/(loss) per share (sen)	2.56	(0.48)	14.02	10.83

(b) Diluted

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

	<i>3 months ended</i>		<i>12 months ended</i>	
	<i>30.6.2013</i>	<i>30.6.2012</i>	<i>30.6.2013</i>	<i>30.6.2012</i>
Profit/(loss) for the period/year attributable to owners of the Company (RM'000)	7,973	(1,487)	43,699	33,753
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	311,677	311,677	311,677	311,677
Diluted earnings/(loss) per share (sen)	2.56	(0.48)	14.02	10.83

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 29 August 2013.