First Quarter Report
2007

COMPANY ANNOUNCEMENT

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To:

COPENHAGEN STOCK EXCHANGE
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(Company No. 240-A)

Condensed Consolidated Income Statements
for the Quarter Ended 31 March 2007
(The figures have not been audited)

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
(MYR'000)	**2007**	2006	**2007**	2006
Revenue	**126,107**	115,212	**126,107**	115,212
Operating expenses	**(96,594)**	(82,635)	**(96,594)**	(82,635)
Other operating income	**1,838**	1,588	**1,838**	1,588
Finance costs	**(30)**	(319)	**(30)**	(319)
Interest income	**1,089**	960	**1,089**	960
Investment income/(loss)	**339**	402	**339**	402
Profit before taxation	**32,749**	35,208	**32,749**	35,208
Income tax expense	**(9,310)**	(9,952)	**(9,310)**	(9,952)
Profit after taxation	**23,439**	25,256	**23,439**	25,256
Extraordinary items	**-**	-	**-**	-
Profit for the period	**23,439**	25,256	**23,439**	25,256
Net profit attributable to:				
Equity holders of the parent	**23,439**	25,256	**23,439**	25,256
Minority interest	**-**	-	**-**	-
Net Profit	**23,439**	25,256	**23,439**	25,256
Earnings per share				
(i) Basic - based on an average 208,134,266 (2006:208,134,266) ordinary shares (sen)	**11.26**	12.13	**11.26**	12.13
(ii) Fully diluted (not applicable)	**-**	-	**-**	-

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2006.

Condensed Consolidated Balance Sheet
as at 31 March 2007
(The figures have not been audited)

(MYR'000)	**31 March 2007**	31 December 2006
Assets		
Non-current assets		
Biological assets	**188,643**	184,723
Property, plant and equipment	**343,064**	346,767
Prepaid lease payments	**396,462**	381,434
Associated company	**-**	-
Amount due from associated company	**11**	11
Available for sale financial assets	**3,247**	3,247
Current Assets		
Inventories	**90,932**	84,011
Trade & other receivables	**42,378**	59,511
Tax recoverable	**677**	482
Financial assets at fair value	**6,260**	5,921
Cash, bank balances & fixed deposits	**146,914**	156,873
Total current assets	**287,161**	306,798
Total Assets	**1,218,588**	1,222,980
Equity and Liabilities		
Equity attributable to equity holders of the parent		
Share capital	**208,134**	208,134
Share premium	**181,920**	181,920
Other reserves	**20,702**	21,264
Retained profits	**684,222**	660,783
	1,094,978	1,072,101
Minority Interest	**731**	304
Total Equity	**1,095,709**	1,072,405
Non-Current Liabilities		
Retirement benefit obligations	**3,287**	3,323
Provision for deferred taxation	**65,026**	64,626
Total non-current liabilities	**68,313**	67,949
Current Liabilities		
Trade & other payables	**44,417**	46,628
Overdraft & short term borrowings	**2,324**	16
Retirement benefit obligations	**381**	381
Interim/final dividend declared	**-**	22,791
Provision for taxation	**7,444**	12,810
Total current liabilities	**54,566**	82,626
Total liabilities	**122,879**	150,575
Total Equity and Liabilities	**1,218,588**	1,222,980
Net assets per share (MYR)	**5.26**	5.15

The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2006.

Condensed Consolidated Statement of Changes in Equity for the Year ended 31 March 2007

(The figures have not been audited)

	Attributable to Equity Holders of the Parent								
(MYR'000)	Share capital	Retained profits	Reserve on consolidation	Share premium	Capital reserve	Translation reserve	Total	Minority Interest	Total equity
Balance at 1 January 2007	208,134	660,783	-	181,920	21,798	(534)	1,072,101	304	1,072,405
Increase in the paid-up share capital of a subsidiary company	-	-	-	-	-	-	-	485	485
Foreign currency translation	-	-	-	-	-	(562)	(562)	(58)	(620)
Net income/(expense) recognised directly in equity	-	-	-	-	-	(562)	(562)	427	(135)
Net profit for the period	-	23,439	-	-	-	-	23,439	-	23,439
Dividends paid	-	-	-	-	-	-	-	-	-
Balance at 31 March 2007	**208,134**	**684,222**	**-**	**181,920**	**21,798**	**(1,096)**	**1,094,978**	**731**	**1,095,709**
Balance at 1 January 2006	208,134	330,231	220	181,920	257,798	-	978,303	-	978,303
Effects of adopting FRS 3	-	220	(220)	-	-	-	-	-	-
	208,134	330,451	-	181,920	257,798	-	978,303	-	978,303
Transfer to retained profit upon capital reduction in a subsidiary out of bonus shares issued previously	-	236,000	-	-	(236,000)	-	-	-	-
Net income/(expense) recognised directly in equity	-	236,000	-	-	(236,000)	-	-	-	-
Net profit for the period	-	25,256	-	-	-	-	25,256	-	25,256
Total recognised income and expense for the period	-	261,256	-	-	(236,000)	-	25,256	-	25,256
Dividends	-	-	-	-	-		-	-	-
Balance at 31 March 2006	208,134	591,707	-	181,920	21,798	-	1,003,559	-	1,003,559

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2006.

Condensed Consolidated Cash Flow Statements
for the Year ended 31 March 2007
(The figures have not been audited)

(MYR'000)	**31 March 2007**	31 December 2006
Cash Flow		
Receipts from operations	**135,006**	115,632
Operating payments	**(87,303)**	(96,032)
Cash flow from operations	**47,703**	19,600
Other operating receipts	**1,838**	1,507
Taxes paid	**(14,472)**	(10,911)
Cash Flow from operating activities	**35,069**	10,196
Investing Activities		
- Interest received	**1,089**	960
- Proceeds from sale of property, plant and equipment	**-**	81
- Purchase of property, plant and equipment	**(566)**	(10,043)
- Pre-cropping expenditure incurred	**(8,882)**	(2,964)
- Prepaid lease payments made	**(16,156)**	-
	(24,515)	(11,966)
Financing Activities		
- Dividends paid	**(22,791)**	(22,479)
- Interest paid	**(30)**	(319)
- Redemption of Promissory Note	**-**	(35,917)
- Bank borrowings	**-**	(13,400)
- Associated company	**-**	123
	(22,821)	(71,992)
Net Change in Cash & Cash Equivalents	**(12,267)**	(73,762)
Cash & Cash Equivalents at beginning of year	**156,857**	179,152
Cash & Cash Equivalents at end of quarter	**144,590**	105,390

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2006.

Notes to the Financial Report

A1) Accounting Policies and Basis of Preparation

The interim financial report is unaudited.

The interim financial report has been prepared in accordance with the Financial Reporting Standards (FRS) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and Chapter 9.22 part K of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 December 2006, except for the adoption of the following revised Financial Reporting Standards ("FRSs") which became effective for the financial periods beginning on or after 1 October 2006:

FRS 117 Leases
FRS 124 Related Party Disclosures

The adoption of FRS 124 does not have any significant financial impact on the Group.

The principal effect of the change in accounting policy resulting from the adoption of FRS 117 by the Group is as follows:

(a) FRS 117 : Leases

In prior years, leasehold interest in land held for own use classified as property, plant and equipment, were stated at cost and revalued amounts less accumulated amortization. With the adoption of FRS 117, the leasehold land for own use is accounted for as being held under an operating lease. Such leasehold land will no longer be revalued. Where the leasehold land had been previously revalued, the Group retained the unamortized revalued amount as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. Such prepaid lease payments are amortized on a straight line basis over the remaining lease term of the land.

The comparative figures are restated to conform to the current period's presentation.

The effect to the Group's comparative figures on adoption of FRS 117 is as follows:

	Previously Stated MYR'000	Reclassification MYR'000	Restated MYR'000
Property, plant and equipment	728,201	(381,434)	346,767
Prepaid lease payments	-	381,434	381,434

A2) Audit Report

The auditor's report on the financial statements for the financial year ended 31 December 2006 was not qualified.

Notes to the Financial Report

A3) Seasonal and Cyclical Nature of Group's Products and Operations

The prices for the Group's products are not within the control of the Group but are determined by the global supply and demand situation for edible oils.

Crop production is seasonal. Based on statistics, the group's production of CPO and palm kernel (PK) gradually increases from March, peaking around July to September, and then declines from October to February. This pattern can be affected by severe global weather conditions such as El-Niño.

The prices obtainable for the Group's products as well as the volume of production which is cyclical in nature will determine the profits for the Group.

A4) Exceptional and Extraordinary Items

There were no exceptional or extraordinary items for the current quarter and year todate.

A5) Changes in Estimates

There were no material changes to estimates made in prior periods.

A6) Equity and Debt Securities

There have been no issue of new shares, share buy-backs, share cancellation, shares held as treasury shares and re-sale of treasury shares for the period.

There were no issuances of debt instruments during the period.

A7) Dividends Paid

The following dividends were paid during the period in respect of the financial year ended 31 December 2006:

	MYR '000
Ordinary :	
Interim paid	
- 15% less 27% tax	22,791

Notes to the Financial Report

A8) Segmental Information

Segmental information for the current financial year-to-date:

(MYR '000)	Plantations	Refining	Other Segments	Elimination	Total
Segment Revenue					
External Sales	72,032	53,912	163	-	126,107
Inter-segment Sales	10,999	-	232	(11,231)	-
	83,031	53,912	395	(11,231)	126,107
Segment Results					
Profit/(loss) before tax	32,484	(225)	490	-	32,749

A9) Valuation of Property, Plant and Equipment

The valuations of land and buildings have been brought forward without amendment from the financial statements for the year ended 31 December 2006.

A10) Events after the Balance Sheet Date

On 27 April 2007, the Group entered into a Termination Agreement to terminate the original Master Agreement entered between the Group and the shareholders of PT. Surya Sawit Sejati ("PT SSS1") and PT. Mirza Pratama Putra. On the same date, the Group entered into a new Master Agreement with the other shareholders of PT SSS1 and the existing shareholders of PT. Sawit Seberang Seberang ("PT SSS2") in relation to the merger of PT SSS1 and PT SSS2. The details of the proposed merger are further elaborated under Note B8.

A11) Changes in the Composition of the Group

There were no changes in the composition of the Group for the year including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations.

A12) Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets as at 12 May 2007.

Notes to the Financial Report

B1) Directors' Review of the Group's Performance

The Group's revenue for the current period under review increased by MYR 10.9 million or 9.5% compared to the corresponding quarter in 2006 even though the production of FFB, CPO and PK decreased by 4%, 3% and 3% respectively. This was due to:

(i) 11.5% increase in the average selling price of CPO as compared to the corresponding period last year; and

(ii) 15% higher production of coconuts in the corresponding period.

The Group's profit before tax for the current period under review was 7% lower than that of the corresponding period because of higher operating costs resulting from:

(i) a decrease of MYR 4.9 million in the closing produce stocks in the current period compared to an increase of MYR 9.8 million in the corresponding period;

(ii) an increase of 10% in raw material costs at the refinery; and

(iii) lower production of crude palm oil and palm kernel by 3% each in the current period compared to the same period last year due to the cyclical resting period which the palms are going through.

B2) Comparison of Results with Preceding Quarter

The profit before tax decreased from MYR 52.3 million in the preceding quarter to MYR32.7 million for the quarter under review.

The decrease in the profit before tax for the quarter under review was due to:

(i) the decrease in the production of CPO, PK and coconuts by 19%, 20% and 4% attributed to seasonality of production; and

(ii) higher cost of production of CPO primarily due to much higher fertilizer inputs in the current quarter as compared to the preceding quarter.

Notes to the Financial Report

B3) Prospects and Outlook

It was noted from Oil World Reports that palm oil production for the period January to March 2007 was lower than for the same period a year ago due to a decline in palm oil yields and lower than expected growth of mature area of oil palm.

Palm oil prices reached a new high of MYR 2,416 per ton on Bursa Malaysia Derivatives in May 2007. In Rotterdam, crude palm oil prices rallied to USD 750 for June shipment, up USD 310 from a year ago. With these large price increases the market is vulnerable to a price correction which could come from demand losses or better than expected Malaysian palm oil production figures.

In the USA, soyabean prices also increased contributing further to the price rally in the vegetable oil complex. Too much rain and colder than usual conditions have delayed spring plantings of soyabean and corn which could result in a tightening of supplies. Prices have appreciated and additional strength is likely if current delays in corn plantings continue.

Due to lower than expected production and export supplies of coconut oil from the Philippines, Lauric oils and thereby palm kernel oil and palm kernel prices have also continued to appreciate.

With the Company's forward sales policy, substantial quantities of crude palm oil had been sold forward entering 2007. With the current price trend, we expect 2007 to be another satisfactory year.

B4) Profit Forecasts

The Group has not issued any profit forecasts for the period under review.

B5) Taxation

The charge for taxation for the quarter ended 31 March 2007 comprises:

(MYR '000)	Current Quarter	Current year-to-date
Current taxation	8,910	8,910
Deferred taxation	400	400
	9,310	9,310
Profit before taxation	32,749	32,749
Tax at the statutory income tax rate of 27%	8,842	8,842
Tax effects of expenses not deductible /		
(income not taxable) in determining taxable profit :		
Provision for investments net of gains/losses	(92)	(92)
Depreciation on non-qualifying assets	373	373
Claims for reinvestment allowance and research and development	365	365
Others	(178)	(178)
Tax expense	9,310	9,310

Notes to the Financial Report

B6) Profit/Loss on Sale of Unquoted Investments and/or Properties

There were no sales of any unquoted shares and or properties during the current quarter.

B7) Purchases and Disposal of Quoted Securities

a) There were no purchases or sales of quoted investments for the current quarter.

b) Details of investments in quoted securities at 31 March 2007 are given below:

(MYR'000)	(i) At Cost	(ii) At Book Value	(iii) Market Value
Quoted shares:	7,886	6,260	6,260

B8) Corporate Proposals

Status of Corporate Proposals

On 25 April 2006, the Group announced that it had entered into a conditional Master Agreement ("Original MA") with the existing shareholders of PT. Surya Sawit Sejati ("PTSSS1") and PT. Mirza Pratama Putra ("PT MPP") in relation to the proposed acquisition of equity interests in PTSSS1 and PT MPP. The acquisition of the 95% equity interest in PTSSS1 was completed on 21 March 2007.

On 27 April 2007, the parties to the Original MA had entered into a Termination Agreement ("Termination Agreement") to terminate the Original MA as of the aforesaid date. In conjunction with the execution of the Termination Agreement, the Group had on 27 April 2007 entered into a new conditional Master Agreement ("New MA") with the other shareholders of PT SSS1 and the existing shareholders of PT Sawit Seberang Seberang ("PT SSS2") in relation to the merger of PTSSS1 and PTSSS2 whereby PTSSS1 shall be the surviving company ("Merged Company") ("Proposed Merger").

The Proposed Merger is conditional on the fulfillment of various conditions as set out in the New MA which includes the approval of the Indonesian Investment Coordinating Board and Bank Negara Malaysia.

Upon completion of the Proposed Merger, the Group will have access to approximately 40,000 hectares of plantation land in Indonesia as compared with the land bank of 29,600 hectares secured under the Original MA.

After the Proposed Merger, the Group will have 93% equity interest in the Merged Company.

As the 2,200 hectares of oil palms planted todate on land owned by PTSSS1 are still immature, there is no revenue contribution from PT SSS1.

Notes to the Financial Report

B9) Group Borrowings

All outstanding Group borrowings as at 31 March 2007 were unsecured, short term and denominated in Ringgit Malaysia only.

They consist of the following items:

	MYR
Bank Overdrafts	2,324,000

There were no long term borrowings in the Group as at 12 May 2007.

B10) Financial Instruments with Off Balance Sheet Risk

The amounts of financial instruments used for hedging purposes and outstanding as at 7 May 2007 were:

Type of Instrument	Currency	Date	Maturity from reporting date Within 1 yr MYR '000	1 – 2 years MYR '000	Over 2 years MYR '000	Total Contract Amount MYR '000	Cash Require-ment MYR '000
i) Forward	US $	Jun 06	5,589	-	-	5,589	-
Foreign	US $	Jan 07	79,236	54,683	-	133,919	-
Exchange	US $	Feb 07	20,783	3,442	-	24,225	-
Contracts	US $	Apr 07	6,829	-	-	6,829	-
			112,437	58,125	-	170,562	-
ii) Futures Crude	MYR	Mar 06	3,718	3,010	-	6,728	-
Palm Oil /	MYR	May 06	1,302	5,419	-	6,721	-
RBD Olein	MYR	Jun 06	(1,144)	(4,590)	-	(5,734)	-
	MYR	Aug 06	864	-	-	864	-
	MYR	Oct 06	(3,759)	(1,879)	-	(5,638)	-
	MYR	Nov 06	(876)	-	-	(876)	-
	MYR	Dec 06	(2,837)	-	-	(2,837)	-
	MYR	Jan 07	3,978	660	-	4,638	-
	MYR	Feb 07	(1,080)	-	-	(1,080)	-
	MYR	Mar 07	(16,722)	5,533	-	(11,189)	1,567
	MYR	Apr 07	(6,995)	(4,995)	(4,050)	(16,040)	1,327
			(23,551)	3,158	(4,050)	(24,443)	2,894

Notes to the Financial Report

B10) Financial Instruments with Off Balance Sheet Risk -continued

Credit Risk is controlled by the application of authority and trading limits and dealing with well established counter parties and regular monitoring procedures.

Market Risk is minimized by daily monitoring of financial markets, supply and demand for crude palm oil and world vegetable oils in general. Regular production and sales as well as cash flow forecasts are carried out to establish hedging requirements. There are also 'stop loss' procedures in place to minimize possible losses.

There are no significant credit and market risks posed by the above off balance sheet financial instruments as at 12 May 2007.

B11) Material Litigation

There was no material litigation as at 12 May 2007.

B12) Proposed Dividends

(a) The Directors have recommended a final dividend of 15 % gross less tax or 15 sen per share less tax (1st Quarter 2006 – 15% less tax or 15 sen per share less tax in respect of the year ended 31 December 2005) in respect of the year ended 31 December 2006.

(b) No interim dividends have been declared or proposed for the year ending 31 December 2007.

B13) Earnings Per Share (EPS)

The calculation of EPS is based on Group profit after taxation and extraordinary items of MYR 23,439,000 (2006: MYR 25,256,000) and the weighted average number of ordinary shares of 208,134,266 (2006: 208,134,266) in issue during the period.

By Order of the Board

R. Nadarajan
Secretary

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12 May 2007