

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2009**

	Unaudited as at end of Current Quarter 31.12.2009 RM'000	Audited as at Preceding Financial Year End 31.12.2008 RM'000
<u>Non-current assets</u>		
Property, plant and equipment	902,667	527,463
Plantation development expenditure	1,048,332	972,413
Prepaid lease payments	975,972	959,199
Development properties	87,412	-
Investment in associated companies	239,199	20,832
Investment in joint venture	12,283	13,102
Other investments	4,475	4,954
Goodwill on consolidation	93,422	91,140
Deferred tax assets	72,995	12,655
	<u>3,436,757</u>	<u>2,601,758</u>
<u>Current assets</u>		
Inventories	963,852	334,922
Trade and other receivables	1,192,262	392,197
Amount owing to associated company	893	-
Assets held for sale	784	454
Tax recoverable	22,365	14,185
Deposits placed with licensed banks	126,253	50,929
Cash and bank balances	291,090	55,197
	<u>2,597,499</u>	<u>847,884</u>
<u>Current liabilities</u>		
Trade and other payables	532,607	214,281
Amount owing to associated company	-	20,186
Borrowings	1,615,362	702,452
Retirement benefit obligations	3,279	458
Tax payable	15,079	4,661
	<u>2,166,327</u>	<u>942,038</u>
Net current liabilities	<u>431,172</u>	<u>(94,154)</u>
	<u>3,867,929</u>	<u>2,507,604</u>
Share capital	296,471	296,471
<u>Reserves</u>		
Share premium	84,171	84,171
Exchange reserves	15,101	26,967
Capital reserves	5,761	5,761
Retained profits	1,072,745	960,154
	<u>1,177,778</u>	<u>1,077,053</u>
Equity attributable to equity holders of the Company	1,474,249	1,373,524
Minority interests	980,036	364,257
Total equity	<u>2,454,285</u>	<u>1,737,781</u>
<u>Non-current liabilities</u>		
Borrowings	1,039,842	532,912
Deferred tax liabilities	303,741	231,198
Retirement benefit obligations	70,061	5,713
	<u>1,413,644</u>	<u>769,823</u>
	<u>3,867,929</u>	<u>2,507,604</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.97</u>	<u>4.63</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)



CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM'000	Current Year To Date 31.12.2009 RM'000	Preceding Year To Date 31.12.2008 RM'000
Revenue	841,810	380,794	2,067,573	1,767,566
Other operating income	38,125	10,043	45,583	19,622
Operating expenses	(741,011)	(349,460)	(1,839,115)	(1,442,993)
Profit from operations	138,924	41,377	274,041	344,195
Finance costs	(23,279)	(12,823)	(54,505)	(48,489)
Share of results of Joint Venture	728	1,708	(5,819)	3,102
Share of results in Associate Company	10,436	-	10,436	-
Profit before taxation	116,373	30,262	224,153	298,808
Taxation	(22,964)	2,353	(55,167)	(76,566)
Profit for the period	93,409	32,615	168,986	222,242
Profit for the period attributable to:-				
Equity holders of the Company	76,352	32,715	134,826	160,735
Minority interests	27,493	(100)	34,160	61,507
	103,845	32,615	168,986	222,242
Earnings per share attributable to equity holders of the Company:-				
Basic (sen)	19.72	11.09	45.48	56.09

(The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009**

(The figures have not been audited)

	<----- Attributable to Equity Holders of the Company ----->						Total RM'000	Minority Interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable					
	Share Capital RM'000	Share Premium RM'000	Capital reserves RM'000	Exchange Reserves RM'000	Capital Reserves RM'000	Retained Profits RM'000			
At 1 January 2009	296,471	84,171	3,684	26,967	2,077	960,154	1,373,524	364,257	1,737,781
Exchange differences on translation, representing net gain not recognised in the income statement	-	-	-	(11,866)	-	-	(11,866)	(278)	(12,144)
Net gain/(loss) recognised directly in equity	-	-	-	(11,866)	-	-	(11,866)	(278)	(12,144)
Profit for the period	-	-	-	-	-	134,826	134,826	34,160	168,986
Total recognised income and expenses for the period	-	-	-	-	-	134,826	134,826	34,160	168,986
Acquisition of subsidiary Company	-	-	-	-	-	-	-	589,472	589,472
Dividend	-	-	-	-	-	(22,235)	(22,235)	(7,575)	(29,810)
At 31 December 2009	296,471	84,171	3,684	15,101	2,077	1,072,745	1,474,249	980,036	2,454,285
At 1 January 2008	296,471	84,171	3,684	27,639	2,077	849,878	1,263,920	304,376	1,568,296
Exchange differences on translation, representing net gain not recognised in the income statement	-	-	-	(672)	-	-	(672)	325	(347)
Net gain recognised directly in equity	-	-	-	(672)	-	-	(672)	325	(347)
Profit for the period	-	-	-	-	-	160,735	160,735	61,507	222,242
Total recognised income and expenses for the period	-	-	-	-	-	160,735	160,735	61,507	222,242
Acquisition of subsidiary Company	-	-	-	-	-	-	-	5,153	5,153
Dividend	-	-	-	-	-	(50,459)	(50,459)	(7,104)	(57,563)
At 31 December 2008	296,471	84,171	3,684	26,967	2,077	960,154	1,373,524	364,257	1,737,781

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2009
(The figures have not been audited)**

	Current Year To Date 31.12.2009 RM'000	Preceding Year To Date 31.12.2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	224,153	298,808
Adjustments for:		
Non-cash items	175,957	113,394
Non-operating items	<u>(4,617)</u>	<u>38,903</u>
Operating profit before changes in working capital	395,493	451,105
Net change in current assets	(154,117)	(117,450)
Net change in current liabilities	113,229	50,077
Interest, retirement benefit and tax paid	(140,570)	(116,216)
Net cash flows from operating activities	<u>214,035</u>	<u>267,516</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equity investments	(335,534)	(265,304)
Other investments	(211,697)	(204,631)
Net cash flows used in investing activities	<u>(547,231)</u>	<u>(469,935)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	673,169	216,937
(Increase)/Decrease in deposits pledged with licensed banks	(73,894)	15,086
Amount owing to associated company	46	(298)
Dividend paid/payable	<u>(29,914)</u>	<u>(50,356)</u>
Net cash flows (used in) / from financing activities	<u>569,407</u>	<u>181,369</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	236,211	(21,050)
EFFECT OF EXCHANGE RATE CHANGES	2	3
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	99,812	120,859
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>336,025</u>	<u>99,812</u>
Cash and cash equivalents at the end of the financial period comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	44,932	50,929
Cash and bank balances	291,090	48,883
	<u>336,022</u>	<u>99,812</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2008)



A. NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard ("FRS") 134 "Interim Financial Reporting" and Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2008.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted by the Group in the audited financial statements for the financial year ended 31 December 2008.

3. Seasonal or Cyclical Factors

The operations of the Group are not affected by any seasonal or cyclical factors other than the plantation operations, which are affected by the fluctuating commodity prices and seasonal production of fresh fruit bunches.

4. Unusual Items

There was no unusual item for the current financial year to date.

5. Changes in Estimates

There was no change in estimates of amounts reported in prior quarter of the current financial year or change in estimates of amounts reported in prior financial year that has a material effect in the current quarter.



6. Changes in Debt and Equity Securities

There has been no issuance, repurchase and repayment of debt and equity securities during the current financial year to date other than the following:-

- a) RM50 million was raised from the issuance of Murabahah Commercial Papers/Medium Term Notes on 16 January 2009 by Tradewinds Plantation Berhad ("TPB") to part-finance the development of the Group's plantations and for working capital requirement; and
- b) RM100 million was redeemed from the Murabahah Commercial Papers/Medium Term Notes on 18 June 2009 by TPB.

7. Dividends Paid

Dividend paid during the current financial year to date was as follows:-

	Current Year To Date RM'000	Preceding Year Corresponding Period RM'000
Final dividend of 10 sen per share less 25% income tax (2008: 13 sen per share less 26% income tax) proposed in previous financial year, paid in current financial year	22,235	28,520
Interim dividend for current financial year : Nil (2008: 10 sen per share less 26% income tax)	-	21,939
	22,235	50,459

8. Segmental Reporting

Current Year To Date	Manufacturing & Trading	Plantation	Others	Total
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	758,933	1,308,511	129	2,067,573
Results				
Segment results	165,535	156,458	(10,608)	311,384
Unallocated income				28,615
Unallocated expenses				(65,510)
Profit from operations				274,041
Finance costs				(54,505)
Share of results of associated companies				10,436
Share of results of Joint Venture				(5,819)
Profit before taxation				224,153
Taxation				(55,167)
Profit for the period				168,986



9. Material Subsequent Events

There was no material event subsequent to the end of the current quarter except for the completion of Acquisition 2 on 20 January 2010, as disclosed in Note 10(a) below.

With the completion of Acquisition 1, MGO and Acquisition 2, TWM currently holds 72.57% of Bernas.

10. Changes in the Composition of the Group

There was no major change in the composition of the Group during the current financial year to date other than:

- (a) Tradewinds (M) Berhad (“TWM”) had on 28 August 2009 entered into conditional share sale agreements with the following parties:-
- i. Wang Tak Company Limited to acquire 148,281,100 ordinary shares of RM1.00 each (“Bernas Shares”) in Padiberas Nasional Berhad (“Bernas”) representing 31.52% equity interest in Bernas for a total cash consideration of RM308,424,688 on the basis of RM2.08 per Bernas Share (“Acquisition 1”); and
 - ii. Gandingan Bersepadu Sdn Bhd (“GBSB”) to acquire 104,599,485 Bernas Shares representing 22.24% equity interest in Bernas for a total cash consideration of RM217,566,928.80 on the basis of RM2.08 per Bernas Share (“Acquisition 2”) pursuant to a dividend-in-specie exercise of Bernas Shares by a subsidiary of GBSB, namely Budaya Generasi (M) Sdn Bhd (“BGSB”) which was a substantial shareholder of Bernas.

GBSB and BGSB were parties acting in concert (“PAC”) with TWM pursuant to the Malaysian Code on Take-overs and Mergers, 1998 (“Code”) and upon completion of Acquisition 1, TWM and its PAC collectively hold 62.31% equity interest in Bernas. Accordingly, pursuant to Section 33A of the Securities Commission Act, 1993 and Section 6 of the Code, TWM extended an unconditional mandatory general offer (“MGO”) for the remaining 322,120,400 Bernas Shares not owned by TWM when Acquisition 1 became unconditional on 28 October 2009 at RM2.08 per Bernas Share. Acquisition 1 was completed on 2 November 2009.

The MGO was closed on 9 December 2009. As at the closing date, TWM received acceptances to the Offer of 18.81% of the Bernas Shares and Bernas became a subsidiary of TWM with a total controlling interest of 50.33%.

The acquisitions have contributed the following results to the Group:-



	Current Year Quarter RM'000	Current Year To Date RM'000
Revenue	332,101	332,101
Profit Before Tax	<u>25,154</u>	<u>25,154</u>

If the acquisition had completed on 1 January 2009, the Group revenue and profit before tax for the year would have been RM5.0 billion and RM284.2 million respectively.

The details of the net assets acquired upon completion of Acquisition 1 and MGO were as follows:

	Acquiree's carrying amount/ At fair value		
	Acquisition 1 RM'000 31.52%	MGO RM'000 18.81%	Total RM'000 50.33%
Property, plant and equipment	107,607	64,050	171,657
Investment in associated companies	77,563	46,872	124,435
Other investments	13	8	21
Intangible assets	44	26	70
Deferred tax assets	27,201	15,889	43,090
Lease prepayments	9,659	5,762	15,421
Tax recoverable	328	255	583
Inventories	187,424	101,958	289,382
Trade and other receivables	262,436	137,475	399,911
Cash and bank balances	88,634	38,028	126,662
Retirement benefit obligations	(20,686)	(12,444)	(33,130)
Borrowings	(279,268)	(143,400)	(422,668)
Deferred tax liabilities	(9,697)	(5,798)	(15,495)
Trade and other payables	(110,972)	(40,149)	(151,121)
Tax payable	(10,180)	(6,949)	(17,129)
Minority interest	(21,619)	(13,225)	(34,844)
Total net assets	308,487	188,358	496,845
Reserves on consolidation	(62)	(4,289)	(4,351)
Purchase consideration	308,425	184,069	492,494



The cash outflow on the completion of the acquisitions is as follows:-

	<i>Current Year To Date RM'000</i>
Purchase consideration	492,494
Cash and cash equivalents of subsidiaries acquired	<u>(202,167)</u>
Net cash outflow of the Group	<u>290,327</u>

Acquisition 2 was completed on 20 January 2010.

- (b) The acquisition of Masretus Oil Palm Plantation Sdn Bhd (“Masretus”) by Retus Plantation Sdn Bhd (“Retus”), a 60% owned subsidiary of TWS. On 3 April 2009, the Company entered into a Sales and Purchase Agreement for the acquisition of the entire issued and paid-up share capital of Masretus comprising of 100,000 ordinary shares of RM1.00 each for a total cash consideration of RM7,208,600.

On 24 July 2009, Masretus became a subsidiary of TWS through Retus as a result of the completion of the acquisition of the 77% shares of Masretus for a consideration of RM5,550,622.

Subsequently, the balance of 23% shares of Masretus was acquired on 8 September 2009 for a consideration of RM1,657,978. As a result of completion of the Acquisition, Masretus is now a wholly-owned subsidiary of Company through Retus.

The subscription does not have a material effect on the results of the Group for the current financial year to date.



The details of the net assets acquired were as follows:-

	Fair value RM
Purchase Consideration	7,208,600
Less : Share capital	100,000
Revaluation reserves	6,651,050
Pre-acquisition profit/(loss)	(22,059)
Deferred tax	<u>(1,662,763)</u>
Goodwill on consolidation	<u>2,142,372</u>

- (c) Tradewinds Plantation Berhad (“TPB”) has on 21 August 2009 entered into a conditional Sale and Purchase Agreement with Gerak Mashyur (Malaysia) Sdn Bhd (“GMSB”) for the acquisition of 700,000 ordinary shares of RM1.00 each, representing 70% of the equity interest, of Northern Integrated Agriculture Sdn Bhd (“NIA”) for a total cash consideration of RM50.36 million. The acquisition of NIA was completed on 23 October 2009.

NIA is a property development and rubber plantation company. NIA was established as a joint venture vehicle between GMSB and Perbadanan Kemajuan Negeri Kedah to undertake the development of the second border town between Malaysia and Thailand known as “Bandar Sempadan Kota Putra”.

NIA owns 5 parcels of leasehold agriculture land located at Kota Putra, Mukim Batang Tunggang Kiri, Daerah Padang Terap, Negeri Kedah measuring in aggregate approximately 2,612.99 acres (“NIA Lands”) of which 169.44 acres had been surrendered to the Government following completion of their project in November 2008.

1,115.02 acres of the NIA Lands had been planted with rubber trees whilst the remaining land has the benefit of an approved Master Plan for the development of Bandar Sempadan Kota Putra.

NIA has contributed a profit after tax of RM1.102 million to the results of the Group for the current financial year.

The details of net assets acquired were as follows:-

	Acquiree's carrying amount RM'000	Fair value RM'000
Prepaid lease payments for land	3,314	12,265
Property, plant and equipment	102	102
Land held for development	4,146	87,412
Other receivables	26	26
Fixed deposits with licensed bank	1,429	1,429
Cash and bank balances	3,037	3,037
Trade and other payables	(7,782)	(7,782)
Tax payables	(816)	(816)
Deferred taxation	-	(23,054)
Total net assets	<u>3,456</u>	<u>72,619</u>
Less: Minority interest		<u>(21,786)</u>
Group's share of net assets		50,833
Reserve on consolidation		<u>(1,518)</u>
Total cost of acquisition		<u>49,315</u>

- (d) On 30 September 2009, TMall Limited ("TMall"), a 20% owned associate of Quek Shin & Sons Pte Ltd, which is a wholly owned subsidiary of TPB, was voluntarily dissolved.

The dissolution of TMall had resulted in the realisation of foreign exchange reserves amounting to RM16.4 million in the Income Statement of the Group for the financial year ended 31 December 2009.

- (e) On 26 October 2009, TPB acquired the entire shareholding of Prisma Spektra Sdn Bhd ("PSSB") for a cash consideration of RM2. PSSB is an investment holding company.

The acquisition of PSSB did not have any material effect on the earnings or net assets of the Group for the financial year ended 31 December 2009.



11. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 December 2009 were as follows:-

	RM'000
Property, plant and equipment	
- Approved and contracted for	113,140
- Approved but not contracted for	182,214
	<hr/> 295,354
Acquisition of subsidiaries	
- Approved and contracted for	255,484
Additional investment in jointly controlled entity	
- Approved and contracted for	5,000
	<hr/> 555,838



12. Contingent Liability and Contingent Asset

The Group has no contingent liability or contingent asset as at 31 December 2009, other than those in Bernas which are as follows:

- (a) Bernas was served with a Writ and Statement of Claim dated 14 October 2005 by Konsortium Pemborong Beras (Melayu) Kelantan Sdn Bhd ("KBK") and was named as the First Defendant. KBK is seeking the following:
 - (i) A declaration that Bernas violated the terms of the Joint Venture Agreement ("JVA") by not complying with its duties and obligations as a member/partner of Formula Timur Sdn Bhd ("the Joint Venture Company");
 - (ii) A declaration that Bernas' action in stopping the supply of rice to the Joint Venture Company is contrary to the provisions of the JVA, was wrongful and invalid;
 - (iii) A declaration that Bernas by commission or omission committed a fraud upon the minority shareholders of the Joint Venture Company and/or abuse of power;
 - (iv) General damages of RM112 million to be paid by Bernas to the Joint Venture Company;
 - (v) Rebate of RM760,000;
 - (vi) Interest under Section 11 of the Civil Law Act, 1965 and in equity on the damages at 8% per annum from August 2003 till payment; and
 - (vii) Injunction and Costs and other relief's as the Court deem just.

Bernas filed the application to strike out the said Statement of Claim on the ground that there is no valid cause of action. The Senior Assistant Registrar had dismissed Bernas' application to strike out.

Bernas' Notice of Appeal to Judge in Chambers against the Senior Assistant Registrar's decision on 7 May 2007 pertaining to its striking out application was fixed for decision on 20 May 2009. On 20 May 2009, the Judge in Chambers had dismissed Bernas' appeal with costs in relation to the Senior Assistant Registrar's decision on 7 May 2007 for Bernas' striking out application. Bernas has upon advice by the solicitors, instructed its solicitors to file a Notice of Appeal at the Court of Appeal against the decision of the Judge in Chambers.

The Court Of Appeal has yet to fix the hearing date for the Notice of Appeal filed by Bernas.



- (b) On 27 March 2006, Bernas was served with a sealed copy of a Summons in Chambers dated 3 March 2006 by KBK for an interlocutory injunction, inter alia, the followings:
- (i) Restrain Bernas from selling, hiring and supplying rice to any third party or allowing any activity which may compete with the business of the Plaintiff; and
 - (ii) Instruct Bernas to resume selling, hiring and supplying rice to the Plaintiff.

KBK's application for injunctive relief and discovery which has been fixed on 22 June 2009 was adjourned to 2 September 2009 and 26 October 2009 respectively for further mention. However, Bernas had given instruction to its solicitors to set aside the said injunction application. The Court has yet to fix the date for KBK's application for injunctive relief and discovery.

- (c) Bernas was served with a Writ of Summons and Statement of Claim dated 5 May 2006 initiated by A Halim Bin Hamzah & 291 others ("the Plaintiffs"). The civil suit is brought by the Plaintiffs against Bernas & 24 others ("the Defendants") for, inter alia, the following claims:
- (i) A declaration that the 2000 VSS scheme initiated by Bernas is void and of no effect;
 - (ii) A declaration that the Defendants had by unlawful means conspired and combined together to defraud or injure the Plaintiffs;
 - (iii) Alternatively, a declaration that the Defendants had acted in furtherance of a wrongful conspiracy to injure the Plaintiffs;
 - (iv) Damages to be assessed; and
 - (v) Interest and costs.

In relation to the Suit filed by the Plaintiffs against the Defendants, Bernas had filed Summons in Chambers pursuant to Order 12 Rule 7 and/or Order 18 Rule 19 of the Rules of the High Court 1980 ("the Company's Application") for the following:

- (i) That the Writ and Statement of Claim as against the said Defendants be struck out as it discloses no reasonable course of actions, scandalous, frivolous, vexatious and/or is an abuse of process of the Court;
- (ii) That the cost of the said Order to be borne by the Plaintiffs; and
- (iii) Such further or other orders as the Court deemed fit.

The Court has granted Order In Terms for the Bernas' application to strike out the 21st Defendant with cost payable to Bernas but dismissed Bernas' application to strike out the 2nd to 12th Defendants on 3 September 2007. On 3 March 2008, the Court dismissed Bernas' application to strike out the 2nd to 12th Defendants from being the party to the suit. Bernas' solicitors had on 17 April 2008, filed Statements of Defence for 2nd to 12th Defendants. The matter has been fixed for further case management on 9 February 2010 pending the parties' compliance with the case management directions.

- (d) Bernas on 6 June 2006 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Zainon Bt Ahmad for and on behalf of the 690 others ("the Plaintiffs") for the following claims:
- (i) A declaration that the Plaintiffs as employees of Bernas whose service of employment has been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits provided for in clause 7.3 of the 'Terma dan Syarat Perkhidmatan Kumpulan Eksekutif dan Kumpulan Bukan Eksekutif' and in clause 5.5 of the 'Buku Panduan Kumpulan Eksekutif dan Bukan Eksekutif';
 - (ii) An order that Bernas pays the Retirement/Termination Benefits due to the Plaintiffs as follows:-
 - for those Plaintiffs who have attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid directly to them; and
 - for those Plaintiffs who have not attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid into their accounts at the Employment Provident Fund.
 - (iii) Interest at the rate of 8% per annum from 1 January 2004 to the date of payment as ordered by the Court;
 - (iv) Such further orders, directions or relief that the Court deems fit and appropriate; and
 - (v) Costs to be paid by Bernas to the Plaintiffs.

The Court had on 13 March 2008 allowed the Plaintiff's application with cost and Bernas had instructed its solicitors to file Grounds of Appeal to the Court of Appeal. The Court of Appeal had on 24 August 2009 allowed Bernas' application to amend the memorandum of appeal and the notice of appeal. As of to date, the Court of Appeal has yet to fix the hearing date for the Notice of Appeal filed by Bernas.

- (e) Bernas on 4 January 2010 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Rahman Bin Samud for and on behalf of 242 others ("the Plaintiffs") for the following claims;
- (i) A declaration that the Plaintiffs as employees of Bernas whose service of employment has been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or disability are entitled to the Retirement/Termination Benefits provided for in clause 7.3 of the 'Terma dan Syarat Perkhidmatan Kumpulan Eksekutif dan Kumpulan Bukan Eksekutif' and in clause 5.5 of the 'Buku Panduan Kumpulan Eksekutif dan Bukan Eksekutif'.
 - (ii) An order that Bernas pays the Retirement/Termination Benefits due to the Plaintiffs as follows:-
 - for those Plaintiffs who have attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid directly to them; and
 - for those Plaintiffs who have not attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid into their accounts at the Employment Provident Fund.
 - (iii) Interest at the rate of 8% per annum from 1 January 2004 to the date of payment as ordered by the Court.
 - (iv) Such further orders, directions or relief that the Court deems fit and appropriate.
 - (v) Costs to be paid by Bernas to the Plaintiffs.

The Plaintiff's application has been fixed for hearing on 22 February 2010. Bernas had given instructions to its solicitors to file reply to the Plaintiffs' affidavit and to defend Bernas in the said application.



B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Review of Performance

For the quarter under review, the Group's revenue increased to RM841.8 million from RM380.8 million as compared to the corresponding quarter last year. The increase in revenue was mainly due to revenue contributed by the newly acquired subsidiary, Bernas during the quarter under review coupled with the higher sales of refined sugar. This had also resulted in the significant increase in profit before tax to RM116.4 million during the current quarter as compared to profit before tax of RM30.3 million for the same quarter last year.

2. Material Change in the Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter

	Quarter Reported On RM'000	Immediate Preceding Quarter RM'000	Increase RM'000
Profit before taxation	<u>91,264</u>	<u>67,733</u>	<u>23,531</u>

The Group recorded an increase in profit before taxation of RM23.5 million as compared to profit before taxation of RM67.7 million in the immediate preceding quarter. The increase in profits was mainly due to the higher sales and profit contribution by the Manufacturing & Trading Division which comprises subsidiaries with Sugar business and the newly acquired subsidiary with rice business, Bernas.

In addition, the improved performance was also contributed by the higher production and sales of palm products coupled with lower plantation operating expenses as compared to the immediate preceding quarter.



3. Prospects

Based on the prevailing prices of palm products and the expected increase in production, the results of the Plantation business segment for the next financial year is expected to be better than the current financial year.

Notwithstanding that the Sugar business had experienced thinning margins during the current financial year, the Group will focus on improving production and controlling costs efficiently to ensure continuous profits from the Sugar business segment in the next financial year.

As for the Rice business segment, 2010 will be a challenging financial year due to the increase in international rice prices in early 2010 due to the expected deficit in global supply of rice in 2010 which is expected to underpin rice prices. However, this has been mitigated by buying forward on part of the rice requirements for 2010. As such, the Rice business segment is expected to perform satisfactorily this year.

4. Variance on Forecast Profit/Shortfall in Profit Guarantee

The Group has not provided any profit forecast for the current financial year in a public document.

5. Taxation

Taxation comprises:-

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax	7,676	41,612
Deferred tax	15,288	13,555
	<u>22,964</u>	<u>55,167</u>

The taxation charge of the Group for the financial year reflects an effective tax rate which is consistent with the statutory income tax rate.



6. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the current financial year to date except for the disposal of:

- (i) a parcel of freehold land and building for a cash consideration of RM1.10 million by TPB which was completed on 6 April 2009. The gain arising from the disposal amounted to RM0.65 million; and
- (ii) unquoted investments in two associates companies for a total cash consideration of RM7.1 million by Bernas during the fourth quarter of the financial year.

7. Quoted Securities Other Than Securities in Existing Subsidiaries and Associated Company

- (a) There was no purchase or disposal of quoted securities.
- (b) Investments in quoted securities as at the reporting period were as follows:-

	RM'000
(i) at cost	34,061
(ii) at carrying value	4,185
(iii) at market value	5,071

8. (a) Status of Corporate Proposals

Save as disclosed below and Part A (Note 9) of this report, there is no other corporate proposal announced but not completed as at 23 February 2010:-

- (i) The merger exercise between the plantation subsidiaries of Tradewinds (M) Berhad and Johore Tenggara Oil Palm Berhad was completed on 28 February 2006. The approval of the merger exercise by the Securities Commission was subject to compliance of certain conditions imposed on the landed properties of the Group. The status of compliance was announced to Bursa Securities on 15 January 2010.



- (ii) On 30 October 2009, Prisma Spektra Sdn Bhd (“PSSB”), a wholly owned subsidiary of TPB, entered into a conditional Share Sale Agreement with Semi Bayu Sdn Bhd for the acquisition of 125,709,000 ordinary shares of RM1.00 each, representing the entire issued and paid-up ordinary share capital, of MARDEC Berhad (“Mardec”) for a total purchase consideration of RM150.0 million (“Proposed Acquisition of Mardec”), which shall be payable in the following manner:-
- (i) a first instalment of RM45.0 million or 30% of the purchase consideration to be paid on the completion date; and
 - (ii) a second instalment of RM105.0 million or 70% of the purchase consideration to be paid on or before the last day of a period of 9 months from the completion date (or such longer period as the parties may mutually agree in writing).

Mardec is an investment holding company and through its local and overseas subsidiary and associated companies, is involved in the processing and trading of natural rubber and the manufacturing of value-added rubber and polymer products.

Pursuant to the privatisation of Mardec and the Sale and Purchase of Shares Agreement dated 16 January 2003 (“Mardec SPA”) between the Government of Malaysia, the Minister of Finance (Inc.) and Semi Bayu Sdn Bhd, the entire issued and paid-up ordinary share capital of Mardec was transferred to Semi Bayu Sdn Bhd and one (1) special rights redeemable preference share of RM1.00 was issued to the Minister of Finance (Inc.). Under the Mardec SPA, Mardec is to continue its social obligations to rubber smallholders in the context of national development policies including purchasing, processing and marketing smallholders’ rubber. Mardec is also, if requested by the Government, to act as the last resort purchaser at fair prices for rubber from smallholders and to continue to provide assistance and cooperation to current and future Government-initiated programmes.



The Proposed Acquisition of Mardec is conditional upon the fulfilment and satisfaction of the following conditions precedent:-

- (a) the approval of the Economic Planning Unit of the Prime Minister's Department;
- (b) the approval of the existing financier(s) of Mardec, if required;
- (c) the approval of the shareholders of the Company at a general meeting to be convened;
- (d) the Company and PSSB being satisfied with the results and findings of the financial and legal due diligence investigations into Mardec and its subsidiaries and if applicable, the satisfactory resolution and determination of any issues arising from the due diligence investigations; and
- (e) other requisite approvals, if any.

(b) Status of Utilisation of Proceeds Raised from Corporate Proposal

There was no corporate proposal involving fund raising.

9. Group Borrowings and Debt Securities

Group borrowings as at the end of the financial year were as follows:-

	RM'000
<u>Long Term Borrowings</u>	
Secured term loans	1,047,394
Sukuk Ijarah	210,000
Hire purchase and finance lease payable	8,211
Less: Current portion of long term borrowings	<u>(217,552)</u>
	<u>1,048,053</u>
<u>Short Term Borrowings</u>	
Secured	
- Revolving credit	175,000
- Hire purchase and finance lease payable	7,155
	182,155
Unsecured	
- Revolving credit	212,800
- Bankers' acceptance	1,009,311
- Bank overdraft	699
	1,222,810
Current portion of long term borrowings	<u>217,552</u>
	<u>1,622,517</u>
Total	<u>2,670,570</u>

All the above borrowings are denominated in Ringgit Malaysia.



10. Off Balance Sheet Financial Instruments

There was no off balance sheet financial instrument issued as at 25 February 2010, being the latest practicable date.

11. Material Litigation

Except as disclosed in Note 12 of Part A, there was no material litigation as at 25 February 2010, being the latest practicable date.

12. Dividend

The Board of Directors approve a First Interim Dividend of 10 sen per share less income tax of 25% (2008: 10 sen per share less income tax of 26%) amounting to RM22,235,529 (2008: RM21,938,816) for the financial year ended 31 December 2009, payable on a date to be announced later.

13. Earnings Per Share

(a) Basic earnings per share

The earnings per share is calculated after taking into consideration of 100 million new ordinary shares arising from the mandatory conversion on the maturity date of Tradewinds Plantation Berhad's 160,000,000 ICULS ("TPB ICULS") of RM1.00 each issued on 28 February 2006.

Net profit for the financial year to date attributable to equity holders of the Company used in computing the earnings per share has been adjusted as follows:

	Current Year To Date RM'000	Prior Year To Date RM'000
Profit attributable to equity holders of the Company	134,826	160,733
Effect of assumed conversion of TPB ICULS	1,513	5,563
Profit attributable to equity holders of the Company including assumed conversion of TPB ICULS	136,339	166,296

The Group's weighted average number of ordinary shares in issue during the financial year is 296,470,484 (2009: 296,470,484).



- (b) There is no diluted earnings per share as the Company does not have any potential dilutive ordinary shares to be issued at the end of the quarter.

14. Audit Report of the Preceding Year's Consolidated Financial Statement

The auditors' report of the preceding annual financial statement was not subject to any qualification.

BY ORDER OF THE BOARD

MOHAMAD AFFENDI BIN YUSOFF (LS007158)
SAKINAH BINTI ABDUL KADIR (MAICSA 7000087)
Company Secretaries

Kuala Lumpur
23 February 2010