

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010**

	Unaudited as at end of Current Quarter 31.3.2010 RM'000	Audited as at Preceding Financial Year End 31.12.2009 (Restated) RM'000
Non-current assets		
Property, plant and equipment	1,894,904	1,888,183
Plantation development expenditure	1,064,615	1,050,431
Development properties	87,412	87,412
Investment in associated companies	239,899	232,323
Investment in joint venture	11,287	12,223
Other investments	-	4,475
Available for sale investments	4,389	-
Intangible assets	93,422	93,422
Deferred tax assets	70,224	77,705
	3,466,152	3,446,174
Current assets		
Inventories	1,017,159	995,271
Trade and other receivables	1,164,124	1,129,224
Amount owing from associated companies	54,557	34,872
Derivative assets	441,865	-
Assets held for sale	5,313	5,654
Tax recoverable	19,498	14,563
Deposits placed with licensed banks	186,735	218,645
Cash and bank balances	305,918	199,288
	3,195,169	2,597,517
Current liabilities		
Trade and other payables	481,552	510,766
Amount owing to associated company	-	3,368
Hire purchase and finance lease payables	23,334	4,082
Borrowings	1,570,099	1,616,026
Derivative liabilities	453,273	-
Retirement benefit obligations	3,968	4,229
Tax payable	45,614	31,253
	2,577,840	2,169,724
Net current assets	617,329	427,793
	4,083,481	3,873,967
Share capital	296,471	296,471
Reserves		
Share premium	84,171	84,171
Exchange reserves	13,583	10,923
Capital reserves	5,761	5,761
Fair value reserve	(85)	-
Retained profits	1,148,093	1,075,537
	1,251,523	1,176,392
Equity attributable to equity holders of the Company	1,547,994	1,472,863
Non-controlling interests	761,094	977,143
Total equity	2,309,088	2,450,006
Non-current liabilities		
Hire purchase and finance lease payables	6,163	4,854
Borrowings	1,397,477	1,045,983
Deferred tax liabilities	300,550	304,013
Retirement benefit obligations	70,203	69,111
	1,774,393	1,423,961
	4,083,481	3,873,967
Net assets per share attributable to ordinary equity holders of the Company (RM)	5.22	4.97

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009)



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2010 RM'000	Preceding Year Corresponding Quarter 31.3.2009 RM'000	Current Year To Date 31.3.2010 RM'000	Preceding Year To Date 31.3.2009 RM'000
Revenue	1,299,538	354,564	1,299,538	354,564
Other operating income	1,345	1,227	1,345	1,227
Operating expenses	(1,149,605)	(333,006)	(1,149,605)	(333,006)
Profit from operations	151,278	22,785	151,278	22,785
Finance costs	(21,381)	(11,522)	(21,381)	(11,522)
Share of results in a joint venture company	(936)	(2,477)	(936)	(2,477)
Share of results in associated companies	7,576	-	7,576	-
Profit before taxation	136,537	8,786	136,537	8,786
Taxation	(33,543)	(5,047)	(33,543)	(5,047)
Profit for the period	102,994	3,739	102,994	3,739
Other comprehensive income				
Exchange differences on translation of foreign operations	1,335	(726)	1,335	(726)
Gain on fair value changes of available-for-sale investments	58	-	58	-
Other comprehensive income/(expense) for the period	1,393	(726)	1,393	(726)
Total comprehensive income for the period	104,387	3,013	104,387	3,013
Profit for the period attributable to:-				
Equity holders of the Company	77,256	8,393	77,256	8,393
Non-controlling interests	25,738	(4,654)	25,738	(4,654)
	102,994	3,739	102,994	3,739
Total comprehensive income for the period attributable to:				
Equity holders of the Company	78,649	7,702	78,649	7,702
Non-controlling interests	25,738	(4,689)	25,738	(4,689)
	104,387	3,013	104,387	3,013
Earnings per share attributable to equity holders of the Company:-				
Basic (sen)	26.40	2.61	26.40	2.61

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010**
(The figures have not been audited)

	-----> Attributable to Equity Holders of the Company <-----<							Total RM'000	Non controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable			Distributable					
		Share Premium RM'000	Capital reserves RM'000	Exchange Reserves RM'000	Fair Value Reserves RM'000	Capital Reserves RM'000	Retained Profits RM'000			
At 1 January 2010 (as previously stated)	296,471	84,171	3,684	10,923	-	2,077	1,075,537	1,472,863	977,143	2,450,006
Effect on adopting FRS 139	-	-	-	-	(143)	-	(4,700)	(4,843)	(4,638)	(9,481)
At 1 January 2010 (restated)	296,471	84,171	3,684	10,923	(143)	2,077	1,070,837	1,468,020	972,505	2,440,525
Total comprehensive income for the period	-	-	-	1,335	58	-	77,256	78,649	25,738	104,387
Accretion of interest in a subsidiary company	-	-	-	1,325	-	-	-	1,325	(225,226)	(223,901)
Dividend	-	-	-	-	-	-	-	-	(11,923)	(11,923)
At 31 March 2010	296,471	84,171	3,684	13,583	(85)	2,077	1,148,093	1,547,994	761,094	2,309,088
At 1 January 2009	296,471	84,171	3,684	26,967	-	2,077	960,154	1,373,524	364,257	1,737,781
Total comprehensive income for the period	-	-	-	(691)	-	-	8,393	7,702	(4,689)	3,013
At 31 March 2009 (Restated)	296,471	84,171	3,684	26,276	-	2,077	968,547	1,381,226	359,568	1,740,794

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009)



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010
(The figures have not been audited)**

	Current Year To Date 31.3.2010 RM'000	Preceding Year To Date 31.3.2009 (Restated) RM'000
Net cash flows from operating activities	24,070	5,250
Net cash flows used in investing activities	(263,559)	(45,272)
Net cash flows from financing activities	314,204	22,202
Net change in cash and cash equivalents	<u>74,715</u>	<u>(17,820)</u>
Effect of exchange rate changes	2	-
Cash and cash equivalents at beginning of period	417,936	99,812
Cash and cash equivalents at end of period	<u>492,653</u>	<u>81,992</u>
Cash and cash equivalents at the end of the financial period comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	186,735	49,081
Cash and bank balances	305,918	32,911
	<u>492,653</u>	<u>81,992</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009)



INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2010

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") and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2009.

These explanatory notes attached to the 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 31 December 2009, other than for compliance with any new/revised FRS that came into effect during the financial period under review.

2. Changes in Accounting Policies

The significant 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 year ended 31 December 2009 except for the adoption of the following new and revised FRSs, Issues Committee ("IC") Interpretations and amendments to FRSs and IC Interpretations which are relevant to the Group's operations with effect from 1 January 2010:-

Effective for financial periods beginning on or after 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows

2. Changes in Accounting Policies (Contd.)

Effective for financial periods beginning on or after 1 January 2010 (Contd.):

Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Event After the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Lease
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investment in Associates
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation – Paragraphs 95A, 97AA and 97AB
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 140	Investment Property
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

2. Changes in Accounting Policies (Contd.)

The initial application of the above new and revised FRSs, IC Interpretations and amendments to FRSs and IC Interpretations do not have any significant impact on the financial statements of the Group other than as explained below:-

(a) FRS 101 *Presentation of Financial Statements (revised)*

This Standard introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

The gains and losses that were recognised directly in equity in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for preceding year corresponding period is presented separately and allocation is made to show the amounts attributable to owners of the Company and to non-controlling interests. The effects of adopting FRS 101 on the comparative figures of the Group are as follows:

For the period ended 31 March 2009	Income statement as previously reported RM'000	Effects of adopting FRS 101 RM'000	Statement of comprehensive income as restated RM'000
Profit for the period	3,739	-	3,739
Other comprehensive income	-	(726)	(726)
Total comprehensive income	-	-	3,013
Total comprehensive income attributable to:			
Owners of the Company	8,393	(691)	7,702
Non-controlling interest	(4,654)	(35)	(4,689)

The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

2. Changes in Accounting Policies (Contd.)

(b) Amendments to FRS 7 *Financial Instruments: Disclosures*

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of the quantitative information about exposures to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and foreign exchange risks, including sensitivity analysis to foreign exchange risks. As this is a disclosure standard, there will be no impact on the financial position or results of the Group for the period.

(c) Amendment to FRS 8 *Operating Segments*

FRS 8 requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segment reporting will be based on the internal reporting to the "chief operating decision maker" who makes decisions on the allocation of resources and assesses the performance on the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group for the period.

(d) Amendment to FRS 117 *Leases*

This amendment removes the classification of leases of land and building and instead, requires assessment of classification based on the risks and rewards of the lease itself. The reassessment of land elements of unexpired leases shall be made retrospectively in accordance with FRS 108. The Group has reassessed and determined that all leasehold land of the Group are in substance finance leases and has reclassified the leasehold land from prepaid lease payments for land to property, plant and equipment.



2. Changes in Accounting Policies (Contd.)

(d) Amendment to FRS 117 Leases (Contd.)

The reclassification has been made retrospectively and the comparative figures have been restated as follows:-

	As reported previously RM'000	Effect of adopting Amendment to FRS 117 RM'000	As restated RM'000
Property, plant and equipment	913,769	974,414	1,888,183
Prepaid lease payments for land	974,414	(974,414)	-

The adoption of Amendment to FRS 117 does not have any impact to the financial results of the Group for the current financial period to date and the corresponding period last year.

(e) FRS 139 *Financial Instruments: Recognition and Measurement*

FRS 139 provides guidance for the measurement of financial instruments. Depending on the categorisation applied for each individual financial asset and liability, some financial assets and liabilities will need to be fair valued and others are stated at amortised cost. FRS 139 prescribes prospective application for the first time adoption. Significant accounting policies adopted are summarised below:-

Financial Assets

Financial assets are recognised in the statement of financial position when and only when, the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flow from the financial assets expires or if the Group transfer the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Initial Recognition

Financial assets within the scope of FRS 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.



2. Changes in Accounting Policies (Contd.)

(e) **FRS 139 *Financial Instruments: Recognition and Measurement (Contd.)***

Financial assets are recognised initially at fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way purchase) are recognised on the trade date i.e. date that the Group commits to purchase or sell the assets.

Subsequent Measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method less impairment losses. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial Liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provision of the instrument. Financial liabilities are derecognised if the Group's obligation specified in the contract expires or are discharged or cancelled.

Initial Recognition

Financial liabilities within the scope of FRS 139 are classified as financial liabilities at fair value through profit and loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities include trade and other payables and financial guarantees. All financial liabilities of the Group are classified as loans and borrowings.

Subsequent Measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through amortisation process.

2. Changes in Accounting Policies (Contd.)

(e) FRS 139 *Financial Instruments: Recognition and Measurement* (Contd.)

Transitional provisions and effects on financial statements

In accordance with the transitional provisions of FRS 139, the impact of FRS 139 is accounted prospectively with adjustments to be made to the opening balances in the statement of financial position. Comparative figures need not be adjusted.

The adoption of FRS 139 has the following effects on the opening balances in the consolidated statement of financial position as at 1 January 2010:-

	Balance as at 1 January 2010 before adopting FRS 139 RM'000	Effect of adopting FRS 139 RM'000	Balance as at 1 January 2010 after adopting FRS 139 RM'000
Fair value reserve	-	(143)	(143)
Retained profits	1,075,537	(4,700)	1,070,837
Non-controlling interests	977,143	(4,638)	972,505
Other investments	4,475	(4,475)	-
Available-for-sale investments	-	4,331	4,331
Other receivables	569,080	(9,338)	559,742



2. Changes in Accounting Policies (Contd.)

(e) FRS 139 *Financial Instruments: Recognition and Measurement (Contd.)*

The effects on the adoption of FRS 139 on the current interim financial statements are as follows:-

	Increase RM'000
Consolidated statement of financial position	
Fair value reserve	58
Available-for-sale investments	58
Derivative assets	441,865
Derivative liabilities	<u>453,273</u>
Consolidated statement of comprehensive income	
Comprehensive income	(11,408)
Other comprehensive income	58
Total comprehensive income	<u>(11,350)</u>

Impairment of financial assets

FRS 139 requires the Group to assess at each statement of financial position date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the assets (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.



4. Comments about 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.

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

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

6. Changes in Estimates

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

7. Changes in Debt and Equity Securities

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

- a) RM50 million of Murabahah Commercial Papers was redeemed on 15 January 2010 by Tradewinds Plantation Berhad ("TPB"); and
- b) RM50 million each was raised from the issuance of Murabahah Medium Term Notes on 15 January 2010 and 11 February 2010, respectively, and RM25 million from the issuance of Murabahah Commercial Papers on 11 February 2010 by TPB to part-finance the development of TPB's plantations and for working capital requirement.

8. Dividends Paid

There was no dividend paid during the current quarter.

9. Segmental Reporting

In the prior year's audited financial statements, the basis of segmentation was on a primary format of business segments and a secondary format of geographical segment. In the current quarter ended 31 March 2010 and for the current financial year ending 31 December 2010, the basis of segmentation has been changed to operating segments based on information reported internally to the Management and the Board of Directors. In the prior financial year, the Group had four reportable segments, which were manufacturing and trading, plantation, property and management and investment.

With the adoption of FRS 8 – *Operating Segments*, the Group has revised its operating segments into four separate reportable segments for the current financial period ended 31 March 2010 into rice, sugar, plantation and others.

The segment information for the current financial period is as follows:-

	Rice	Sugar	Plantation	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	778,639	314,601	206,231	67	1,299,538
Results					
Segment results	52,752	41,208	73,323	(4,607)	162,676
Unallocated income					6,641
Unallocated expenses					(18,039)
Profit from operations					151,278
Finance costs					(21,381)
Share of results in a joint venture company					(936)
Share of results in associated companies					7,576
Profit before taxation					136,537
Taxation					(33,543)
Profit for the period					102,994



10. Material Subsequent Events

There was no material event subsequent to the end of the current quarter.

11. Changes in the Composition of the Group

There was no major change in the composition of the Group during the current financial period 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%.

On 20 January 2010, Acquisition 2 was completed and an excess of fair value of net assets acquired over purchase consideration amounting to RM6.1 million was recognised in the Condensed Consolidated Statement of Comprehensive Income during the financial period. With the completion of Acquisition 2, the Company now owns 72.57% equity interest in Bernas.

- (b) On 17 September 2009, a wholly owned subsidiary of Bernas, Bernas Overseas (L) Ltd. (“BOL”) entered into a Sale and Purchase Agreement with Thai Hue (2511) Co. Ltd and Huay Chuan Rice Co. Ltd in respect of the disposal of BOL’s 49% associated company, Asian Peninsula Corporation Limited, for a cash consideration of Baht 40,000,000 or equivalent to RM4,240,000.

The said disposal was completed on 12 March 2010.



12. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2010 were as follows:-

	RM'000
Property, plant and equipment	
- Approved and contracted for	89,859
- Approved but not contracted for	304,378
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	394,237
Acquisition of a subsidiary company	
- Approved and contracted for	150,000
Additional investment in a joint venture company	
- Approved and contracted for	5,000
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	<u>549,237</u>

13. Contingent Liability and Contingent Asset

The Group has no contingent liability or contingent asset as at 31 March 2010, 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 was contrary to the provisions of the JVA, and 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 relieves as the Court deems just.



13. Contingent Liability and Contingent Asset (Contd.)

On 23 June 2006, Bernas filed the application to strike out the said Statement of Claim on the ground that there is no valid cause of action. On 7 May 2006, the Senior Assistant Registrar dismissed Bernas' application to strike out.

On 7 May 2007, Bernas lodged an appeal to the Judge in Chambers against the Senior Assistant Registrar's decision pertaining to its striking out application which was fixed for decision on 20 May 2009. On 20 May 2009, the Judge in Chambers dismissed Bernas' appeal with costs. 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 Voluntary Separation 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;

13. Contingent Liability and Contingent Asset (Contd.)

(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 ("the Order") of the Rules of the High Court 1980 ("Bernas 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 had 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 26 July 2010 pending the transfer of the matter to another solicitors and to allow the Plaintiffs' solicitors to amend the Writ of Summons and Statement of Claim as some of the Plaintiffs have since been deceased.

(d) On 6 June 2006, Bernas 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';

13. Contingent Liability and Contingent Asset (Contd.)

- (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 Employees 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) On 4 January 2010, Bernas 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 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'.



13. Contingent Liability and Contingent Asset (Contd.)

- (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 Employees 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.

Bernas had given instructions to its solicitors to file reply to the Plaintiffs' affidavit and to defend Bernas in the said application.

The Court has fixed 14 June 2010 as the date for the hearing of the Plaintiffs' application on the above mentioned civil suit.



B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

For the quarter under review, the Group's revenue increased to RM1.3 billion from RM354.6 million in the corresponding quarter last year. The increase in revenue was mainly due to the contribution by the newly-acquired subsidiary, Padiberas Nasional Berhad ("Bernas") during the current quarter, in addition to the higher sales of refined sugar, crude palm oil and palm kernel. This had also resulted in the significant increase in profit before tax to RM136.5 million during the current quarter as compared to RM8.8 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>136,537</u>	<u>91,264</u>	<u>45,273</u>

The current quarter's profit before taxation of RM136.5 million was also significantly higher as compared to profit before taxation of RM91.3 million in the immediate preceding quarter. The increase in profit was mainly due to the higher sales and profit contribution from the sugar and rice businesses.



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 remaining quarters of the current financial year are expected to be better than the current quarter.

In the sugar business, the Group will continue its focus on improving production efficiency and controlling costs to ensure continuous profits in 2010.

As for the rice business segment, with the anticipated current stability of international price and supply, this segment is expected to continue its favourable performance in 2010.

4. Variance on Forecast Profit/Shortfall in Profit Guarantee

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

5. Taxation

Taxation comprises:-

	Current Year Quarter RM'000	Current Year To Date RM'000
Income tax	29,526	29,526
Deferred tax	4,017	4,017
	<hr/> 33,543 <hr/>	<hr/> 33,543 <hr/>

The taxation charge of the Group for the financial period reflects an effective tax rate which approximate 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 period to date except for the disposal of unquoted investments in associated companies by Bernas for a total cash consideration of RM4.2 million.

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 end of reporting period were as follows:-

	RM'000
(i) at cost	34,061
(ii) at carrying value	4,155
(iii) at market value	4,155

8. (a) Status of Corporate Proposals

Save as disclosed below, there is no other corporate proposal announced but not completed as at 31 May 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.



8. (a) Status of Corporate Proposals (Contd.)

- (ii) On 30 October 2009, Prisma Spektra Sdn Bhd (“PSSB”), a wholly owned subsidiary of Tradewinds Plantation Berhad (“TPB”), entered into a conditional Share Sale Agreement (“SSA”) with Semi Bayu Sdn Bhd (“SBSB”) 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.

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 TPB at a general meeting to be convened;
- (d) TPB and PSSB being satisfied with the results and findings of the financial and legal due diligence review 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.

On 30 April 2010, PSSB and SBSB have mutually agreed to extend the period to fulfill the conditions precedent under the SSA to 30 October 2010.



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

There was no corporate proposal involving fund raising.

9. Group Borrowings and Debt Securities

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

	<u>RM'000</u>
<u>Short Term Borrowings</u>	
Secured	309,095
Unsecured	1,261,004
	<u>1,570,099</u>
<u>Long Term Borrowings</u>	
Secured	1,397,477
Total	<u>2,967,576</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 31 May 2010, being the latest practicable date.

11. Material Litigation

Save as disclosed in Note 13 of Part A, there was no material litigation as at 31 May 2010, being the latest practicable date.



12. Dividend

On 23 February 2010, the Company declared an interim dividend of 10 sen per ordinary share less income tax of 25% amounting to RM22,235,000 in respect of the financial year ended 31 December 2009, payable on 21 May 2010.

The Board of Directors is recommending a final dividend of 5 sen per ordinary share less income tax of 25% amounting to RM11,117,765 for the financial year ended 31 December 2009, which is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company on 22 June 2010.

13. Earnings Per Share

(a) Basic earnings per share

Earnings per share is calculated after taking into consideration the 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	77,256	8,393
Effect of assumed conversion of TPB ICULS	1,002	(656)
Profit attributable to equity holders of the Company including assumed conversion of TPB ICULS	<u>78,258</u>	<u>7,737</u>

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.



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

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

15. Authorisation for Release

This interim financial report for the financial period ended 31 March 2010 has been seen and approved by the Board for public release.

BY ORDER OF THE BOARD

MOHAMAD AFFENDI BIN YUSOFF (LS007158)
Company Secretary

Kuala Lumpur
31 May 2010