

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	Unaudited as at end of Current Quarter 31.3.2011 RM'000	Audited as at Preceding Financial Year End 31.12.2010 RM'000
Non-current assets		
Property, plant and equipment	2,001,364	1,986,825
Plantation development expenditure	1,161,838	1,142,407
Development properties	87,412	87,412
Investment in associated companies	248,861	242,363
Investment in joint venture	13,746	13,489
Available for sale investments	5,234	5,143
Intangible assets	298,408	309,011
Deferred tax assets	78,376	86,740
	<u>3,895,239</u>	<u>3,873,390</u>
Current assets		
Inventories	1,022,825	1,043,996
Trade and other receivables	1,508,957	1,329,648
Amount owing from associated companies	18,143	20,480
Derivative assets	124,588	-
Tax recoverable	73,553	22,707
Cash and cash equivalents	906,881	475,256
	<u>3,654,947</u>	<u>2,892,087</u>
Current liabilities		
Trade and other payables	562,430	463,238
Amount owing to associated company	311	304
Hire purchase and finance lease payables	1,396	2,815
Borrowings	1,499,422	1,291,809
Derivative liabilities	124,709	-
Retirement benefit obligations	5,543	4,719
Tax payable	84,207	50,245
	<u>2,278,018</u>	<u>1,813,130</u>
Net current assets	<u>1,376,929</u>	<u>1,078,957</u>
	<u>5,272,168</u>	<u>4,952,347</u>
Share capital	296,471	296,471
Reserves		
Share premium	84,171	84,171
Exchange reserves	9,673	9,673
Capital reserves	5,761	5,761
Available-for-sale reserve	551	460
Retained profits	1,667,917	1,622,469
	<u>1,768,073</u>	<u>1,722,534</u>
Equity attributable to owners of the Parent	<u>2,064,544</u>	<u>2,019,005</u>
Non-controlling interests	930,987	905,135
Total equity	<u>2,995,531</u>	<u>2,924,140</u>
Non-current liabilities		
Hire purchase and finance lease payables	5,597	4,901
Borrowings	1,814,555	1,586,449
Deferred tax liabilities	384,627	365,212
Retirement benefit obligations	71,858	71,645
	<u>2,276,637</u>	<u>2,028,207</u>
	<u>5,272,168</u>	<u>4,952,347</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>6.96</u>	<u>6.81</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)



CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2011 RM'000	Preceding Year Corresponding Quarter 31.3.2010 RM'000	Current Year To Date 31.3.2011 RM'000	Year To Date Quarter 31.3.2010 RM'000
Revenue	1,461,155	1,299,538	1,461,155	1,299,538
Other operating income	7,992	1,345	7,992	1,345
Operating expenses	(1,264,285)	(1,149,605)	(1,264,285)	(1,149,605)
Profit from operations	204,862	151,278	204,862	151,278
Finance costs	(29,490)	(21,381)	(29,490)	(21,381)
Share of results in a joint venture company	257	(936)	257	(936)
Share of results in associated companies	8,320	7,576	8,320	7,576
Profit before taxation	183,949	136,537	183,949	136,537
Taxation	(55,525)	(33,543)	(55,525)	(33,543)
Profit for the period	128,424	102,994	128,424	102,994
Profit for the period attributable to:-				
Owners of the Parent	89,918	77,256	89,918	77,256
Non-controlling interests	38,506	25,738	38,506	25,738
	128,424	102,994	128,424	102,994
Earnings per share attributable to Owners of the Parent:-				
Basic (sen)	31.03	26.40	31.03	26.40

(The Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2011 RM'000	Preceding Year Corresponding Quarter 31.3.2010 RM'000	Current Year To Date 31.3.2011 RM'000	Preceding Year To Date 31.3.2010 RM'000
Profit for the period	128,424	102,994	128,424	102,994
Other comprehensive income				
Exchange differences on translation of foreign operations	-	1,335	-	1,335
Gain on fair value changes of available-for-sale investments	91	58	91	58
Other comprehensive income for the period, net of tax	91	1,393	91	1,393
Total comprehensive income for the period	<u>128,515</u>	<u>104,387</u>	<u>128,515</u>	<u>104,387</u>
Total comprehensive income for the period attributable to:				
Owners of the Parent	90,009	78,649	90,009	78,649
Non-controlling interests	38,506	25,738	38,506	25,738
	<u>128,515</u>	<u>104,387</u>	<u>128,515</u>	<u>104,387</u>

(The Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011**

(The figures have not been audited)

	Attributable to Owners of the Parent										Total Equity RM'000
	Non-Distributable					Distributable					
	Share Capital RM'000	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	Total RM'000	Non controlling Interests RM'000		
At 1 January 2011	296,471	84,171	3,684	9,673	460	2,077	1,622,469	2,019,005	905,135	2,924,140	
Total comprehensive income for the period	-	-	-	-	91	-	89,918	90,009	38,506	128,515	
Dividend	-	-	-	-	-	-	(44,470)	(44,470)	(12,654)	(57,124)	
At 31 March 2011	296,471	84,171	3,684	9,673	551	2,077	1,667,917	2,064,544	930,987	2,995,531	
At 1 January 2010	296,471	84,171	3,684	10,923	-	2,077	1,075,537	1,472,863	977,143	2,450,006	
- As previously reported	-	-	-	-	-	-	103,355	103,355	102,000	205,355	
- Fair value adjustments	296,471	84,171	3,684	10,923	-	2,077	1,178,892	1,576,218	1,079,143	2,655,361	
- Effect on adopting FRS 139	-	-	-	-	(143)	-	(4,209)	(4,352)	(4,153)	(8,505)	
- As restated	296,471	84,171	3,684	10,923	(143)	2,077	1,174,683	1,571,866	1,074,990	2,646,856	
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	1,251,939	1,651,840	863,579	2,515,419	

(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 2010)



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011
 (The figures have not been audited)

	Current Year To Date 31.3.2011	Current Year To Date 31.3.2010
	RM'000	RM'000
Net cash flows from operating activities	150,786	24,070
Net cash flows used in investing activities	(64,811)	(272,390)
Net cash flows from financing activities	407,351	314,204
Net change in cash and cash equivalents	<u>493,326</u>	<u>65,884</u>
Effect of exchange rate changes	-	2
Cash and cash equivalents at beginning of period	395,299	417,936
Cash and cash equivalents at end of period	<u>888,625</u>	<u>483,822</u>
Cash and cash equivalents at the end of the financial period comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	105,148	118,750
Cash and bank balances	<u>783,477</u>	<u>365,072</u>
	<u>888,625</u>	<u>483,822</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 2010)



INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 MARCH 2011

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 2010.

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 2010.

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 2010 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:-

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

Amendments to FRS 132	Financial Instruments: Presentation – Classification of Rights Issues
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Effective for financial periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets



2. Changes in Accounting Policies (Contd.)

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

IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
	- Limited Exemption from Comparative FRS 7
	- Disclosures for First-time Adopters
	- Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share Based Payment Transactions
Amendments to FRS 7	Financial Instruments: Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a lease
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs (2010)	

The above FRSs, Amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Company upon their initial application.

3. 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 seasonal production of fresh fruit bunches, weather conditions and fluctuating commodity prices. Generally, the production of fresh fruit bunches is relatively lower in the first half of the year.

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

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 the prior quarter or prior financial year that has a material effect in the current quarter.

6. Changes in Debt and Equity Securities

A subsidiary company, Padiberas Nasional Berhad, raised RM350 million from the issuance of Islamic Commercial Paper/Islamic Medium Term Notes (“ICP/IMTN”) under an ICP/IMTN program based on the Islamic Principle of Musyarakah on 19 January 2011 to finance the capital expenditures, investments and working capital requirements.

There was no other issuance, repurchase and repayment of debt and equity securities during the current financial year to date.

7. Dividends Paid

Dividends paid during the current financial year to date were as follows:-

	Current Year RM'000	Preceding Year RM'000
Interim dividend of 20 sen per share less 25% income tax in respect of the financial year ended 31 December 2010, declared on 14 January 2011, paid on 28 February 2011.	44,471	-
Interim dividend of 10 sen per share less 25% income tax in respect of the financial year ended 31 December 2009, declared on 23 February 2010, paid on 21 May 2010.	-	22,235
Final dividend of 5 sen per share less 25% income tax in respect of the financial year ended 31 December 2009, approved on 22 June 2010, paid on 30 July 2010.	-	11,117
	44,471	33,352



8. Segmental Reporting

The Segment information for the current financial year to date is as follows:-

	Rice RM'000	Sugar RM'000	Plantation RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
31 March 2011						
Revenue						
External revenue	823,840	370,835	266,054	426	-	1,461,155
Inter-segment Revenue	-	-	2,573	46,630	(49,203)	-
Total revenue	823,840	370,835	268,627	47,056	(49,203)	1,461,155
Results						
Operating results	80,786	49,690	98,857	32,154	(56,625)	204,862
Share of results of jointly controlled entity	-	-	257	-	-	257
Share of results of associated companies	8,320	-	-	-	-	8,320
Segment results	89,106	49,690	99,114	32,154	(56,625)	213,439
Finance cost						(29,490)
Profit before tax						183,949
Assets						
Operating assets	2,785,718	1,000,174	3,338,607	201,298	(190,147)	7,135,650
Investment in jointly controlled entity	-	-	13,746	-	-	13,746
Investment in associated companies	248,861	-	-	-	-	248,861
Segment assets	3,034,579	1,000,174	3,352,353	201,298	(190,147)	7,398,257
Tax assets						151,929
Total assets						7,550,186



8. Segmental Reporting (Contd.)

	Rice RM'000	Sugar RM'000	Plantation RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
31 March 2010						
Revenue						
External revenue	778,639	314,600	206,232	67	-	1,299,538
Inter-segment Revenue	-	-	1,308	42,836	(44,144)	-
Total revenue	<u>778,639</u>	<u>314,600</u>	<u>207,540</u>	<u>42,903</u>	<u>(44,144)</u>	<u>1,299,538</u>
Results						
Operating results	46,625	41,615	61,236	37,835	(36,033)	151,278
Share of results of jointly controlled entity	-	-	(936)	-	-	(936)
Share of results of associated companies	7,576	-	-	-	-	7,576
Segment results	<u>54,201</u>	<u>41,615</u>	<u>60,300</u>	<u>37,835</u>	<u>(36,033)</u>	<u>157,918</u>
Finance cost						(21,381)
Profit before tax						<u>136,537</u>
Assets						
Operating assets	2,515,340	1,154,252	3,197,154	172,705	(719,038)	6,320,413
Investment in jointly controlled entity	-	-	11,287	-	-	11,287
Investment in associated companies	239,899	-	-	-	-	239,899
Segment assets	<u>2,755,239</u>	<u>1,154,252</u>	<u>3,208,441</u>	<u>172,705</u>	<u>(719,038)</u>	<u>6,571,599</u>
Tax assets						89,722
Total assets						<u>6,661,321</u>

9. Material Subsequent Events

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



10. Changes in the Composition of the Group

There was no change in the composition of the Group during the current financial year to date.

11. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2011 were as follows:-

	RM'000
Property, plant and equipment	
- Approved and contracted for	200,230
- Approved but not contracted for	483,298
	<hr/> 683,528
Acquisition of a subsidiary company	
- Approved and contracted for	140,000
	<hr/> 5,000
Additional investment in a joint venture company	
- Approved and contracted for	5,000
	<hr/> 828,528



12. Contingent Liability and Contingent Asset

The Group has no contingent liability or contingent asset as at 31 March 2011, other than those in its subsidiary company, Padiberas Nasional Berhad ("Bernas") which are as follows:

- (a) 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 was 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;
 - (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 cause of actions, scandalous, frivolous, vexatious and/or is an abuse of process of the Court;
- (ii) That the cost of the 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. During its last case management, the court has fixed 30 May, 31 May and 1 June 2011 for hearing of the matter.



12. Contingent Liability and Contingent Asset (Contd.)

- (b) 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';
 - (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. The Court of Appeal fixed 18 January 2011 as the hearing date for the appeal. Matter came up for decision on 7 February 2011 wherein the Court of Appeal allowed Bernas' appeal and set aside the High Court order with no order as to costs. Plaintiffs through their solicitors had filed an application on 7 March 2011 for leave to appeal to the Federal Court against the entire decision of the Court of Appeal given on 7 February 2011. The hearing of the leave applications is fixed for 20 June 2011.



12. Contingent Liability and Contingent Asset (Contd.)

- (c) 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'.
 - (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 filed its affidavit in reply to the affidavit in support affirmed by the Plaintiffs. The matter came up for mention on 5 October 2010, wherein the Court had fixed 15 December 2010 for further case management pending the disposal of the appeal in the Court of Appeal in relation to the civil suit filed by Zainon Binti Ahmad & 690 others against Bernas. The case which was fixed on 23 May 2011 for case management has been postponed to 11 July 2011.



12. Contingent Liability and Contingent Asset (Contd.)

- (d) On 25 February 2011, Bernas was served with a Writ and Statement of Claim 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 as the 1st Defendant had committed fraud against the minority shareholders of Formula Timur Sdn Bhd (FTSB) including KBK;
 - (ii) General damages;
 - (iii) Interest;
 - (iv) Costs;
 - (v) Such further orders, direction or relief that the Court deems fit and appropriate.

Bernas had filed its Memorandum of Appearance on 25 February 2011 and intends to dispute the said claim by filing its defence by/or on 21 March 2011. Bernas had filed its defence and application to strike out KBK's Statement of Claim. The date fixed for the decision and/or clarification in respect of the Bernas' application to strike out KBK's claim on 27 May 2011 has been postponed to 8 June 2011 for decision.



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 RM1.5 billion from RM1.3 billion in the corresponding quarter last year. The increase in revenue was contributed by favorable performance of the Rice, Plantation and Sugar divisions. This had also resulted in the increase in profit before tax to RM183.9 million during the current quarter as compared to RM136.5 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	Decrease RM'000
Profit before taxation	183,949	280,689	96,740

The current quarter's profit before taxation of RM183.9 million was lower as compared to profit before taxation of RM280.7 million of the immediate preceding quarter. The decline in profit before taxation was mainly due to lower production of fresh fruit bunches which is a norm in the oil palm industry in the early part of the year and lower contribution from Sugar Division.

3. Prospects

The Rice Division expects the global rice market to be on an uptrend this year. However, the impact is lessened by the forward purchase of most of the Division's 2011 requirements. As such, the Division is expected to maintain its good performance in 2011.

For the Sugar Division, it expects a challenging time in the coming quarters driven by anticipated higher raw sugar prices as compared to previous year due to supply and demand issues. Nevertheless, the Division will continue its focus on controlling production costs and maintaining high standard product quality to ensure continued profitability.

As for the Plantation Division, with the prevailing prices of palm products and the forecast increase in production in the coming quarters, the Group expects the results for the remaining quarters to be better than the current quarter.



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	44,247	44,247
Deferred tax	11,278	11,278
	55,525	55,525

The taxation charge of the Group for the financial year to date reflects an effective tax rate which is higher than the statutory income tax rate mainly due to tax losses of certain subsidiaries which are not available for group relief.

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.



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	4,328
(iii) at market value	4,328

- (c) The gain on fair value changes of the available-for-sale investments recognised in other comprehensive income for the current financial year to date amounted to RM91,000.

8. (a) Status of Corporate Proposals

Save as disclosed below, there is no other corporate proposal announced but not completed as at 12 May 2011:-

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”).

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

The initial period for the fulfillment and satisfaction of the conditions precedent to the Proposed Acquisition of Mardec (“Prescribed Period”) expired on 29 April 2010. On 30 April 2010 and 1 November 2010 respectively, SBSB and PSSB agreed to extend the Prescribed Period by a period of six months to 30 October 2010 and by a further period of six months to 30 April 2011.



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

On 25 February 2011, PSSB and SBSB entered into a supplemental agreement to revise the purchase consideration for the Proposed Acquisition of Mardec as provided in the SSA from RM150,000,000 to RM140,000,000, which shall be payable in the following manner:-

- (i) a first instalment of RM42.0 million or 30% of the purchase consideration to be paid on the completion date; and
- (ii) a second instalment of RM98.0 million or 70% of of the purchase consideration to be paid within 3 months of the completion date.

The revised purchase consideration is arrived at based on Ernst & Young's appraisal of the fair value of the Mardec Group by using the Hybrid Methodology, which is a combination of Income and Asset Approaches of valuation, which ranges between RM130,000,000 and RM150,000,000.

On 28 April 2011, SBSB and PSSB agreed to extend the Prescribed Period by a further period of six months to 30 October 2011.

The Proposed Acquisition of Mardec is pending the approvals of the shareholders of TPB at a general meeting to be convened and the Economic Planning Unit of the Prime Minister's Department.

(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	434,992
Unsecured	1,064,430
	<u>1,499,422</u>
<u>Long Term Borrowings</u>	
Secured	1,814,555
Total	<u>3,313,977</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 20 May 2011, being the latest practicable date.

11. Material Litigation

Save as disclosed in Note 12 of Part A, there was no material litigation as at 20 May 2011, being the latest practicable date.



12. Dividend

The Board of Directors is recommending a final dividend of 20 sen per share less income tax of 25% (2010: 5 sen per share less income tax of 25%) amounting to RM44,471,000 (2010: RM RM11,117,000) for the financial year ended 31 December 2010, which is subject to approval by shareholders at the forthcoming Annual General Meeting of the Company.

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 owners of the Parent used in computing the earnings per share has been adjusted as follows:

	Current Year To Date	Prior Year To Date (Restated)
	RM'000	RM'000
Profit attributable to owners of the Parent	89,918	77,256
Effect of assumed conversion of TPB ICULS	2,088	1,002
Profit attributable to owners of the Parent including assumed conversion of TPB ICULS	92,006	78,258

The Group's weighted average number of ordinary shares in issue during the financial year is 296,470,484 (2010: 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 of the preceding annual financial statement was not subject to any qualification.

15. Disclosure on realised and unrealised profit/loss

The retained earnings as at 31 March 2011 and 31 December 2010 are analysed as follows:-

	31.3.2011	31.12.2010
	RM'000	RM'000
Total retained earnings of the Company and its subsidiaries:-		
- Realised	2,955,474	2,714,122
- Unrealised	(114,453)	(112,433)
	<u>2,841,021</u>	<u>2,601,689</u>
Total share of accumulated losses from a jointly controlled entity:-		
- Realised	(1,017)	(1,274)
- Unrealised	(237)	(237)
	(1,254)	(1,511)
Total share of retained earnings from associated companies:-		
- Realised	121,095	121,095
- Unrealised	1,660	1,660
	122,755	122,755
Less: Consolidation adjustments	(1,294,605)	(1,100,464)
Total Group retained earnings as per consolidated financial statements	<u>1,667,917</u>	<u>1,622,469</u>



16. Authorisation for Release

This interim financial report for the financial period ended 31 March 2011 has been seen and approved by the Board for public release.

BY ORDER OF THE BOARD

ZAINAL RASHID BIN AB RAHMAN (LS007008)
Company Secretary

Kuala Lumpur
30 May 2011