



Tradewinds
(M) Berhad (19123-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011
(The figures have not been audited)

	Unaudited as at end of Current Quarter 30.9.2011 RM'000	Audited as at Preceding Financial Year End 31.12.2010 RM'000
<u>Non-current assets</u>		
Property, plant and equipment	2,050,073	1,986,825
Biological assets	1,208,281	1,142,407
Development properties	87,412	87,412
Investment in associated companies	249,148	242,363
Investment in jointly controlled entities	23,169	13,489
Available for sale investments	5,353	5,143
Intangible assets	277,202	309,011
Deferred tax assets	59,515	86,740
	<u>3,960,153</u>	<u>3,873,390</u>
<u>Current assets</u>		
Inventories	1,315,848	1,043,996
Trade and other receivables	1,556,486	1,329,648
Amount owing from associated companies	11,455	20,480
Derivative assets	79	-
Tax recoverable	77,861	22,707
Cash and cash equivalents	789,402	475,256
	<u>3,751,131</u>	<u>2,892,087</u>
<u>Current liabilities</u>		
Trade and other payables	581,811	463,238
Amount owing to associated company	311	304
Hire purchase and finance lease payables	2,619	2,815
Borrowings	1,542,948	1,291,809
Retirement benefit obligations	4,963	4,719
Tax payable	82,316	50,245
	<u>2,214,968</u>	<u>1,813,130</u>
Net current assets	<u>1,536,163</u>	<u>1,078,957</u>
	<u>5,496,316</u>	<u>4,952,347</u>
Share capital	296,471	296,471
<u>Reserves</u>		
Share premium	84,171	84,171
Exchange reserves	9,281	9,673
Capital reserves	5,761	5,761
Available-for-sale reserves	1,088	460
Retained profits	1,847,778	1,622,469
	<u>1,948,079</u>	<u>1,722,534</u>
Equity attributable to equity holders of the Company	<u>2,244,550</u>	<u>2,019,005</u>
Non-controlling interests	1,005,756	905,135
Total equity	<u>3,250,306</u>	<u>2,924,140</u>
<u>Non-current liabilities</u>		
Hire purchase and finance lease payables	16,401	4,901
Borrowings	1,783,456	1,586,449
Deferred tax liabilities	373,298	365,212
Retirement benefit obligations	72,855	71,645
	<u>2,246,010</u>	<u>2,028,207</u>
	<u>5,496,316</u>	<u>4,952,347</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>7.57</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 30 SEPTEMBER 2011
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2011 RM'000	Preceding Year Corresponding Quarter 30.9.2010 RM'000	Current Year To Date 30.9.2011 RM'000	Preceding Year To Date 30.9.2010 RM'000
Revenue	1,672,947	1,399,534	4,727,436	3,984,780
Other operating income	22,802	9,832	44,969	33,084
Operating expenses	(1,436,917)	(1,157,126)	(4,031,822)	(3,438,684)
Profit from operations	258,832	252,240	740,583	579,180
Finance costs	(31,451)	(26,631)	(93,010)	(76,210)
Share of results in a jointly controlled entity	3,647	694	4,680	(344)
Share of results in associated companies	3,894	7,413	20,992	23,280
Profit before taxation	234,922	233,716	673,245	525,906
Taxation	(35,218)	(64,285)	(164,591)	(141,062)
Profit for the period	199,704	169,431	508,654	384,844
Profit for the period attributable to:-				
Equity holders of the Company	144,387	123,842	358,722	288,596
Non-controlling interests	55,317	45,589	149,932	96,248
	199,704	169,431	508,654	384,844
Earnings per share attributable to equity holders of the Company:-				
Basic (sen)	48.70	41.77	121.00	97.34

(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 30 SEPTEMBER 2011
(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.9.2011 RM'000	Preceding Year Corresponding Quarter 30.9.2010 RM'000	Current Year To Date 30.9.2011 RM'000	Preceding Year To Date 30.9.2010 RM'000
Profit for the period	199,704	169,431	508,654	384,844
Other comprehensive income				
Exchange differences on translation of foreign operations	(460)	1,362	(392)	3,015
Gain/(Loss) on available for sale investments				
- Gain/(Loss) on fair value changes	1,591	(1,659)	742	(1,591)
- Transfer to profit or loss upon disposal	-	-	(114)	-
	<u>1,591</u>	<u>(1,659)</u>	<u>628</u>	<u>(1,591)</u>
Other comprehensive income/(expense) for the period, net of tax	<u>1,131</u>	<u>(297)</u>	<u>236</u>	<u>1,424</u>
Total comprehensive income for the period	<u>200,835</u>	<u>169,134</u>	<u>508,890</u>	<u>386,268</u>
Total comprehensive income for the period attributable to:				
Equity holders of the Company	145,518	123,545	358,958	290,020
Non-controlling interests	<u>55,317</u>	<u>45,589</u>	<u>149,932</u>	<u>96,248</u>
	<u>200,835</u>	<u>169,134</u>	<u>508,890</u>	<u>386,268</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 30 SEPTEMBER 2011**
(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		Retained Profits RM'000			
		Share Premium RM'000	Capital Reserves RM'000	Exchange Capital RM'000	Fair Value Reserves RM'000	Capital Reserves RM'000				
At 1 January 2011	296,471	84,171	3,684	9,673	460	2,077	1,622,468	2,019,004	905,135	2,924,139
Total comprehensive income for the period	-	-	-	(392)	628	-	358,722	358,958	149,932	508,890
Dividend	-	-	-	-	-	-	(133,412)	(133,412)	(49,311)	(182,723)
At 30 September 2011	296,471	84,171	3,684	9,281	1,088	2,077	1,847,778	2,244,550	1,005,756	3,250,306
At 1 January 2010	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	-	-	-	3,015	(1,591)	-	288,596	290,020	96,248	386,268
Accretion of interest in a subsidiary company	-	-	-	1,533	-	-	-	1,533	(225,226)	(223,693)
Dividend	-	-	-	-	-	-	(33,353)	(33,353)	(43,508)	(76,861)
At 30 September 2010	296,471	84,171	3,684	15,471	(1,734)	2,077	1,429,926	1,830,066	902,504	2,732,570

(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 30 SEPTEMBER 2011
(The figures have not been audited)**

	Current Year To Date 30.9.2011 RM'000	Preceding Year To Date 30.9.2010 RM'000
Net cash flows from operating activities	280,004	402,597
Net cash flows used in investing activities	(242,579)	(412,650)
Net cash flows from financing activities	272,000	290,024
Net change in cash and cash equivalents	<u>309,425</u>	<u>279,971</u>
Effect of exchange rate changes	(1)	2
Cash and cash equivalents at beginning of period	395,517	417,936
Cash and cash equivalents at end of period	<u>704,941</u>	<u>697,909</u>
Cash and cash equivalents at the end of the financial period comprise the following:-		
Deposits placed with licensed banks (excluding deposits pledged)	270,770	91,703
Cash and bank balances	<u>434,171</u>	<u>606,206</u>
	<u>704,941</u>	<u>697,909</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 30 SEPTEMBER 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 Paragraph 9.22 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 financial 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
-----------------------	---

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 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: Improving 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 and weather conditions. Generally, the production of fresh fruit bunches is relatively higher in the second 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

On 19 January 2011, a subsidiary company, Padiberas Nasional Berhad (“Bernas”), 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 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 To Date RM'000	Preceding Year To Date 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	-
Final dividend of 20 sen per share less 25% income tax in respect of the financial year ended 31 December 2010, declared on 28 June 2011, paid on 29 July 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, declared on 22 June 2010, paid on 30 July 2010.	-	11,117
	<u>88,942</u>	<u>33,352</u>

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
30 September 2011						
Revenue						
External revenue	2,550,905	1,182,344	992,519	1,668	-	4,727,436
Inter-segment revenue	-	-	11,821	169,625	(181,446)	-
Total revenue	2,550,905	1,182,344	1,004,340	171,293	(181,446)	4,727,436
Results						
Operating results	227,889	164,190	418,105	141,219	(210,820)	740,583
Share of results of a jointly controlled entity	-	-	4,680	-	-	4,680
Share of results of associated companies	20,992	-	-	-	-	20,992
Segment results	248,881	164,190	422,785	141,219	(210,820)	766,255
Finance cost						(93,010)
Profit before tax						673,245
Assets						
Operating assets	2,809,885	1,062,252	3,445,991	248,089	(264,626)	7,301,591
Investment in a jointly controlled entity	-	-	23,169	-	-	23,169
Investment in associated companies	249,148	-	-	-	-	249,148
Segment assets	3,059,033	1,062,252	3,469,159	248,089	(264,626)	7,573,908
Tax assets						137,376
Total assets						7,711,284

8. Segmental Reporting (Contd.)

	Rice RM'000	Sugar RM'000	Plantation RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
30 September 2010						
Revenue						
External revenue	2,313,831	988,084	682,745	120	-	3,984,780
Inter-segment revenue	-	-	5,932	194,610	(200,542)	-
Total revenue	2,313,831	988,084	688,677	194,730	(200,542)	3,984,780
Results						
Operating results	201,209	176,630	210,625	181,159	(190,443)	579,180
Share of results of jointly controlled entity	-	-	(344)	-	-	(344)
Share of results of associated companies	23,280	-	-	-	-	23,280
Segment results	224,489	176,630	210,281	181,159	(190,443)	602,116
Finance cost						(76,210)
Profit before tax						525,906
Assets						
Operating assets	2,344,494	837,172	3,237,631	164,971	(388,490)	6,195,778
Investment in jointly controlled entity	-	-	11,879	-	-	11,879
Investment in associated companies	236,009	-	-	-	-	236,009
Segment assets	2,580,503	837,172	3,249,510	164,971	(388,490)	6,443,666
Tax assets						106,234
Total assets						6,549,900



9. Material Subsequent Events

(a) Acquisition of subsidiary

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 in MARDEC Berhad ("Mardec"), representing the entire issued and paid-up ordinary share capital of Mardec, for a total purchase consideration of RM150,000,000 ("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.

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 RM42,000,000 or 30% of the purchase consideration to be paid on the completion date; and
- (ii) a second instalment of RM98,000,000 or 70% 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 was approved by the shareholders of TPB at the extraordinary general meeting held on 14 July 2011.



9. Material Subsequent Events (Contd.)

(a) Acquisition of subsidiary (contd.)

On 4 October 2011, PSSB entered into and executed:-

- (i) a Novation Agreement with the Government of Malaysia, the Minister of Finance and SBSB for the novation of all SBSB's rights, liabilities, benefits, interests, duties and obligations under and in respect of the Sale and Purchase of Shares Agreement dated 16 January 2003 between the Government of Malaysia, the Minister of Finance and SBSB (the "MARDEC SPA") to PSSB; and
- (ii) a Supplemental Agreement with the Government of Malaysia and the Minister of Finance as a supplement to the MARDEC SPA for the purpose of amending the provisions of the MARDEC SPA.

With the execution of the aforesaid Novation Agreement and Supplemental Agreement, all conditions precedent to the Proposed Acquisition of Mardec have been deemed fulfilled and satisfied and that the SSA has become unconditional with effect from 4 October 2011.

The Proposed Acquisition of Mardec was completed on 10 October 2011.

(b) Additional investment in an associated company

On 11 November 2011, Bernas had entered into a Master Agreement with Jelapang Jati Sdn Bhd ("Jelapang Jati") and Ban Heng Bee Holdings Sdn Bhd ("BHBH") for the proposed increase of its equity holding from 20% to 49% in BHBH for a total consideration of RM110.66 million which comprise of the following documents and simultaneously executed:

- (a) A Share Swap Agreement for the disposal of the Bernas' entire 920,000 ordinary shares of RM1.00 each or equivalent to 40% equity interest in Serba Wangi Sdn Bhd ("Serba Wangi") to the existing Shareholder, BHBH which will be satisfied through the allotment and issuance of 981,997 new ordinary shares of RM1.00 each to the Bernas in BHBH for a consideration of RM36.0 million.
- (b) A Share Sale Agreement for the acquisition by Bernas of 409,165 ordinary shares of RM1.00 each in BHBH from Jelapang Jati for a cash consideration of RM15.0 million.
- (c) A Subscription Agreement for the subscription by Bernas of 1,627,483 new ordinary shares of RM1.00 each in BHBH for a cash consideration of RM59.7 million.



10. Significant Events

There was no significant event during the current quarter, other than that relating to Bernas:-

On 20 April 2011, the Government of Malaysia, via the Public Private Partnership Unit under the Prime Minister's Department has agreed to extend the privatisation agreement between the Government of Malaysia and Bernas dated 12 January 1996 ("Bernas Agreement") for a period of 10 years commencing 11 January 2011 to 10 January 2021 subject to the terms and conditions to be mutually agreed between both parties. The terms and conditions of the Bernas Agreement shall remain in full force and effect until the terms and conditions of the extension are finalised.

11. Changes in the Composition of the Group

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

12. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 September 2011 were as follows:-

	RM'000
Property, plant and equipment	
- Approved and contracted for	148,233
- Approved but not contracted for	403,252
	<hr/> 551,485
Biological assets	
- Approved and contracted for	56,759
- Approved but not contracted for	55,524
	<hr/> 112,283
Acquisition of a subsidiary company	
- Approved and contracted for	140,000
Share of capital commitment of a jointly controlled entity	
- Approved and contracted for	380
- Approved but not contracted for	3,994
	<hr/> 4,374
	<hr/> <hr/> 808,142



13. Contingent Liabilities and Contingent Assets

The Group has no contingent liability or contingent asset as at 30 September 2011, other than those in 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 year 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 the 2nd to 12th Defendants. The matter is now fixed for 30 November 2011 for pre trial case management.



13. Contingent Liabilities and Contingent Assets (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 have 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 with 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 reliefs 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 Plaintiffs' 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. Plaintiffs' application for leave to appeal at the Federal Court has been allowed. The hearing of the appeal has been fixed by the Registry of Federal Court on 13 March 2012.



13. Contingent Liabilities and Contingent Assets (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 have 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 with 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 reliefs 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 has been fixed for further case management on 8 February 2012.



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 RM1.7 billion from RM1.4 billion in the corresponding quarter last year. The increase in revenue was contributed by favourable performance of the Rice, Plantation and Sugar Divisions. This had also resulted in the increase in profit before taxation to RM234.9 million during the current quarter as compared to RM233.7 million in the same quarter last year.

The performance of the 9-month period ended 30 September 2011 was generally better than that of the corresponding period last year whereby the Group recorded higher revenue of RM4.7 billion (2010: RM4.0 billion). The increase was contributed by the Plantation Division, followed by Rice and Sugar Divisions. The significant increase in revenue at the Plantation Division was mainly due to higher selling price and production of palm products. As for the Rice Division, the increase in revenue was attributable to higher volume of rice sold, whilst for the Sugar Division, the higher average selling price of refined sugar was the main cause for the higher revenue.

The Group recorded higher profit before taxation at RM673.2 million for the nine months ended 30 September, compared to RM525.9 million recorded in 2010. The increase was attributable to the improvements in the profit before taxation at the Plantation and Rice Divisions by 121% and 8%, respectively, compared to the corresponding period 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	234,922	254,374	19,452

The current quarter's profit before taxation of RM234.9 million was lower as compared to the immediate preceding quarter of RM254.4 million. The decline was mainly due to the higher cost of rice in the current quarter compared to that in the second quarter resulting in a drop of 52.4% in profit before taxation of the Rice Division. This drop was mitigated by the higher profit before taxation in the current quarter recorded by Plantation and Sugar Divisions as compared to the second quarter. This was mainly due to seasonally higher production of palm products as well as higher average selling price and higher sales volume of refined sugar.



3. Prospects

For the Rice Division, the Group observed that the global rice market prices are on an uptrend recently, due to the new paddy pledging scheme and floods in Thailand mitigated by sale of rice stockpile from India. However, the adverse effect of higher cost of imported rice is lessened by the forward purchase of the Division's requirements for current year. As such, the Division is expected to perform satisfactorily in 2011.

As for the Plantation Division, with the prevailing prices of palm products, the Group expects the results of the Division for the final quarter of the current financial year to remain satisfactory.

Meanwhile, for the Sugar Division, purchase of raw sugar has been completed for the remainder of the year. Thus, the Division will continue its focus to improve profitability by producing quality product with lower cost of production.

The Group expects good performance to continue across all Divisions for the remainder of the year 2011. Hence, the Board of Directors is of the opinion that the performance of the Group for the whole of year 2011 will be satisfactory.

4. Variance of Actual Profit from Forecast Profit/Shortfall in Profit Guarantee

The Group has not provided any profit forecast or profit guarantee 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	42,301	129,280
Deferred tax	(7,083)	35,311
	<u>35,218</u>	<u>164,591</u>

The taxation charge of the Group for the financial year to date reflects an effective tax rate which is lower than the statutory income tax rate mainly due to reversal of deferred tax liabilities relating to other receivables. The effect however was substantially offset by certain expenses which were not deductible for tax purposes, tax losses of certain subsidiaries which are not available for group relief and reversal of deferred tax assets which were previously credited to income statement.



6. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investments and/or properties during the current quarter and financial year to date.

7. Quoted Securities Other Than Securities in Existing Subsidiary Companies and Associated Company

(a) There was no purchase of quoted securities during the current financial year to date whereas the details of the disposals of quoted securities classified as available-for-sale financial assets are as follows:-

	Current Year Quarter RM'000	Current Year To Date RM'000
Sale proceeds	-	416
Gain on disposal	-	176

(b) Investments in quoted securities as at the end of reporting period were as follows:-

	RM'000
(i) at cost	33,427
(ii) at carrying value	4,730
(iii) at market value	4,730

(c) The net fair value gain on available-for-sale financial assets recognised in other comprehensive income for the current quarter and current financial year to date amounted to RM1,591,000 and RM742,000 respectively.

8. (a) Status of Corporate Proposals

There was no corporate proposal announced but not completed as at 18 November 2011, being the latest practicable date.

(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 (excluding hire purchase and finance leases) as at the end of the current quarter were as follows:-

	<u>RM'000</u>
<u>Short Term Borrowings</u>	
Secured	385,050
Unsecured	1,157,898
	<u>1,542,948</u>
<u>Long Term Borrowings</u>	
Secured	1,783,456
Total	<u>3,326,404</u>

All the above borrowings are denominated in Ringgit Malaysia.

10. Derivative Financial Instruments

The following was the outstanding derivative of the Group as at the end of the current quarter:-

	Contract Value RM'000	Fair Value RM'000
<u>Derivative assets</u>		
Forward foreign currency purchase contract:-		
- Less than 1 year	6,303	79
	<u>6,303</u>	<u>79</u>

The contract above was entered into for the purchase of raw sugar. The Group has no other derivative financial instruments.



11. Gains or Losses arising from Fair Value Changes of Financial Liabilities

There was no gain or loss arising from fair value changes of financial liabilities.

12. Material Litigations

Save as disclosed in Note 13 of Part A, there was no material litigation as at 18 November 2011, being the latest practicable date.

13. Dividend Payable

	Current Year To Date RM'000	Preceding Year To Date RM'000
Interim dividend of 20 sen per share less 25% income tax in respect of the financial year ended 31 December 2011, approved on 25 August 2011, payable on 3 November 2011.	44,471	-
	<u>44,471</u>	<u>11,117</u>

14. Earnings Per Share

(a) Basic earnings per share

	Current Year To Date	Prior Year To Date
Profit attributable to equity holders of the Company (RM'000)	358,722	288,596
Weighted average number of ordinary shares in issue ('000)	<u>296,471</u>	<u>296,471</u>
Basic earnings per share (sen)	<u>121.00</u>	<u>97.34</u>

(b) Diluted earnings per share

There is no diluted earnings per share as the Company does not have any potential dilutive ordinary shares as at the end of the current quarter.



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

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

16. Disclosure on Realised and Unrealised Profit/Loss

The retained profits as at 30 September 2011 and 31 December 2010 were analysed as follows:-

	30.9.2011	31.12.2010
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:-		
- Realised profit	3,273,602	2,714,122
- Unrealised loss	(311,601)	(112,433)
	<u>2,962,001</u>	<u>2,601,689</u>
Total share of accumulated losses from a jointly controlled entity:-		
- Realised profit/(loss)	2,376	(1,274)
- Unrealised	(165)	(237)
	2,211	(1,511)
Total share of retained profits from associated companies:-		
- Realised profit	138,328	121,095
- Unrealised (loss)/profit	(9,110)	1,660
	129,218	122,755
Less: Consolidation adjustments	(1,245,652)	(1,100,464)
Total Group retained profits as per consolidated financial statements	<u>1,847,778</u>	<u>1,622,469</u>



Tradewinds
(M) Berhad (19123-K)

17. Authorisation for Release

This interim financial report for the financial period ended 30 September 2011 has been reviewed and approved by the Board on 25 November 2011 for public release.

BY ORDER OF THE BOARD

ZAINAL RASHID BIN AB RAHMAN (LS007008)

Company Secretary

Kuala Lumpur
25 November 2011