TRADEWINDS (M) BERHAD (19123-K)
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements
For The Quarter And Financial Year Ended 31 December 2012

28 February 2013

Tradewinds
(M) Berhad (19123-K)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012
(The figures have not been audited)

	Unaudited, as at 31.12.2012 RM'000	Audited, as at 31.12.2011 RM'000
Assets		
Non-current assets		
Property, plant and equipment	2,380,898	2,221,556
Biological assets	1,374,664	1,245,066
Investment properties	3,318	3,334
Land held for property development	87,412	87,412
Investment in associated companies	334,777	378,035
Investment in a jointly controlled entity	23,572	23,525
Other investments	50,346	40,905
Intangible assets	219,129	266,753
Deferred tax assets	64,923	59,581
	4,539,039	4,326,167
Current assets		
Inventories	1,606,805	1,373,061
Trade and other receivables	1,191,735	1,318,219
Amount owing from associated companies	28,376	48,323
Derivatives	282	218
Tax recoverable	49,789	62,740
Other investments	28,787	19,827
Cash and bank balances	834,261	812,588
	3,740,035	3,634,976
Non-current assets held for sale	244	-
	3,740,279	3,634,976
Total assets	8,279,318	7,961,143
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	296,471	296,471
Reserves	2,141,721	2,064,484
	2,438,192	2,360,955
Non-controlling interests	1,109,179	1,046,710
Total equity	3,547,371	3,407,665
Current liabilities		
Trade and other payables	538,340	554,711
Amount owing to associated companies	310	777
Borrowings	1,725,170	1,720,961
Retirement benefit obligations	11,391	6,190
Derivatives	110	2,964
Tax payable	54,809	39,934
	2,330,130	2,325,537
Non-current liabilities		
Borrowings	1,936,954	1,775,023
Deferred tax liabilities	391,607	377,404
Retirement benefit obligations	73,256	75,514
	2,401,817	2,227,941
Total liabilities	4,731,947	4,553,478
Total equity and liabilities	8,279,318	7,961,143
Net assets per share attributable to equity holders of the Company (RM)	8.22	7.96

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011)

Tradewinds
(M) Berhad (19123-K)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012
(The figures have not been audited)

	Individual Quarter Ended		Financial Year Ended	
	31.12.2012 RM'000	31.12.2011 RM'000	31.12.2012 RM'000	31.12.2011 RM'000
Revenue	1,922,780	2,206,020	8,152,224	6,933,456
Other income	4,534	25,400	70,982	70,369
Operating expenses	(1,792,554)	(1,973,385)	(7,611,207)	(6,005,207)
Profit from operations	134,760	258,035	611,999	998,618
Finance costs	(31,302)	(42,242)	(140,045)	(135,252)
Share of results of associated companies	7,166	7,639	21,845	28,631
Share of results of a jointly controlled entity	(1,563)	356	47	5,036
Profit before taxation	109,061	223,788	493,846	897,033
Taxation	(52,497)	(64,635)	(178,410)	(229,226)
Profit for the period / year	56,564	159,153	315,436	667,807
Profit for the period / year attributable to:				
Equity holders of the Company	40,348	116,195	208,198	474,917
Non-controlling interests	16,216	42,958	107,238	192,890
	56,564	159,153	315,436	667,807
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	13.61	39.19	70.23	160.19

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011)

Tradewinds (M) Berhad (19123-K)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2012
(The figures have not been audited)

	Individual Quarter Ended		Financial Year Ended	
	31.12.2012	**31.12.2011**	**31.12.2012**	**31.12.2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit for the period / year	56,564	159,153	315,436	667,807
Other comprehensive income				
Exchange differences on translation of foreign operations:				
- Exchange differences for the period/year	(399)	1,131	2,575	739
- Transfer to profit or loss upon disposal of an associated company	-	-	2,597	-
- Transfer to profit or loss upon deconsolidation of a subsidiary company	-	-	(6,415)	-
	(399)	1,131	(1,243)	739
Gain / (Loss) on fair value changes of available-for-sale financial assets:				
- Gain / (Loss) on fair value changes	235	(921)	342	(179)
- Transfer to profit or loss upon disposal	-	-	-	(114)
	235	(921)	342	(293)
Other comprehensive (loss) / income for the period / year, net of tax	(164)	210	(901)	446
Total comprehensive income for the period / year	56,400	159,363	314,535	668,253
Total comprehensive income for the period / year attributable to:				
Equity holders of the Company	40,183	116,405	207,297	475,363
Non-controlling interests	16,217	42,958	107,238	192,890
	56,400	159,363	314,535	668,253

(The Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011)

Tradewinds (M) Berhad (19123-K)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(The figures have not been audited)

	<---- Attributable to equity holders of the Company						---->			
		Non-distributable				Distributable				
	Share capital RM'000	Share premium RM'000	Capital reserves RM'000	Exchange reserves RM'000	Available-for-sale reserves RM'000	Capital reserves RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2012	296,471	84,171	3,684	10,412	167	2,077	1,963,973	2,360,955	1,046,710	3,407,665
Total comprehensive income for the year	-	-	-	(1,243)	342	-	208,198	207,297	107,238	314,535
Dividend	-	-	-	-	-	-	(109,153)	(109,153)	(65,676)	(174,829)
Effect of dilution of interest	-	-	-	-	-	-	(20,907)	(20,907)	20,907	-
At 31 December 2012	296,471	84,171	3,684	9,169	509	2,077	2,042,111	2,438,192	1,109,179	3,547,371
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 year	-	-	-	739	(293)	-	474,917	475,363	192,890	668,253
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	8,216	8,216
Dividend	-	-	-	-	-	-	(133,413)	(133,413)	(59,531)	(192,944)
At 31 December 2011	296,471	84,171	3,684	10,412	167	2,077	1,963,973	2,360,955	1,046,710	3,407,665

(The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011)

Tradewinds (M) Berhad (19123-K)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(The figures have not been audited)

	31.12.2012 RM'000	31.12.2011 RM'000
Cash flows from operating activities		
Profit before taxation	493,846	897,033
Adjustments for:		
Depreciation and amortisation charges	241,332	220,043
Net allowance for impairment losses on receivables	10,075	1,402
Provision for and write off of inventories	-	39
Dividend income	(20)	(27)
Gain on deconsolidation of a subsidiary company	(2,427)	-
Loss/(gain) on disposal of other investments	7	(176)
Gain on disposal of associated company	(24,956)	(5,045)
Gain on disposal of property, plant and equipment	(928)	(3,352)
Property, plant and equipment written off	1,760	12,464
Bargain purchase gain	-	(18,427)
Distribution of investment management funds	(412)	(299)
Fair value gain on derivative instruments	(484)	(3,852)
Fair value changes through profit or loss	(871)	-
Inventories written down	2,395	8,486
Foreign exchange loss - unrealised (net)	2,532	6,796
Provision for retirement benefits	16,832	9,557
Reversal of late payment	-	9,919
Sales volume incentive	-	7,572
Other non-cash items	(232)	205
Interest income	(17,170)	(17,603)
Interest expense	140,045	135,252
Share of results of associated companies	(21,082)	(28,631)
Share of results of a jointly controlled entity	(810)	(5,036)
Operating profit before working capital changes	839,432	1,226,320
Changes in working capital:		
Net changes in current assets	(156,152)	128,986
Net changes in current liabilities	99,837	(13,250)
	(56,315)	115,736
Cash generated from operations	783,117	1,342,056
Tax paid (net)	(142,602)	(245,392)
Retirement benefits paid	(14,145)	(6,759)
	(156,747)	(252,151)
Net generated from operating activities	626,370	1,089,905
Cash flows from investing activities		
Acquisition of subsidiary companies, net of cash acquired	-	(112,782)
Additions in property, plant and equipment	(308,318)	(219,125)
Additions in biological assets	(154,798)	(131,990)
Additions to investment in associated companies	-	(74,663)
Deposits paid for acquisition of non-controlling interests	(2,400)	-
Dividends received from associated companies	14,293	29,064
Interest received	13,179	17,603

Tradewinds (M) Berhad (19123-K)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012
(The figures have not been audited)

	31.12.2012 RM'000	31.12.2011 RM'000
Distribution of investment management funds received	412	299
Purchase of other investments	(19,289)	(56,300)
Proceeds received from termination of sub-lease agreement	-	28,520
Subcription of redeemable convertible preference shares in a jointly controlled entity	-	(5,000)
Proceeds from disposal of:		
- property, plant and equipment	1,353	5,725
- other investments	2,012	416
- associated companies	76,240	-
Net cash used in investing activities	(377,316)	(518,233)
Cash flows from financing activities		
Net drawdown of borrowings	100,309	108,830
Increase in fixed deposits pledged with licensed banks	(42,995)	(8,104)
Decrease in sinking fund account	2,374	37,925
Amount owing by/to associated companies	-	(4,456)
Repayment from a subsidiary of a jointly controlled entity	-	10,098
Interest paid	(162,436)	(156,493)
Dividends paid to non-controlling interest of subsidiary companies	(65,676)	(59,531)
Dividends paid	(109,153)	(133,413)
Net cash used in financing activities	(277,577)	(205,144)
Net (decrease) / increase in cash and cash equivalents	(28,523)	366,528
Effect of exchange rate changes	2,887	510
Cash and cash equivalents at beginning of financial year	762,555	395,517
Cash and cash equivalents at end of financial year	736,919	762,555

Cash and cash equivalents at end of financial year comprise:

	31.12.2012 RM'000	31.12.2011 RM'000
Fixed deposits	593,170	609,003
Cash in hand and at bank	241,091	203,585
	834,261	812,588
Less: Pledged cash and cash equivalents	(86,413)	(45,792)
Less: Bank overdraft	(10,929)	(4,241)
	736,919	762,555

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2012

A. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of Preparation

The interim financial statements are unaudited and have 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 2011.

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 2011.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted by the Group in the audited financial statements for the year ended 31 December 2011 except for the adoption of the following new and revised FRSs and Issues Committee ("IC") Interpretations which are relevant to the Group's operations with effect from 1 January 2012:

FRS 7	Financial Instruments: Disclosures (Amendments relating to disclosures of transfers of financial assets)
FRS 7	Financial Instruments: Disclosures (Amendments relating to mandatory effective date of FRS 9 and transition disclosures)
FRS 112	Income Taxes (Amendments relating to deferred tax: recovery of underlying assets)
FRS 124	Related Party Disclosures (revised)
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendments relating to prepayments of a minimum funding requirement)
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The initial application of the above new and revised FRSs and IC Interpretations do not have any significant impact on the financial statements of the Group.

Tradewinds
(M) Berhad (19123-K)

2. Changes in Accounting Policies (cont'd.)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

On 30 June 2012, MASB has decided to allow agriculture and real estate companies (“Transitioning Entities”) to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. This decision comes after an extensive deliberation by MASB and taking into account both local and international developments affecting these standards.

The Group falls within the scope definition of Transitioning Entities and has opted to defer the adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS interim financial statements for the quarter ending 31 March 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on the date of transition (1 January 2013) will be made, retrospectively, against opening retained earnings.

Currently, the Group is in the process of assessing the gap between current Group accounting policies and the requirements of MFRS Framework and expects itself to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2014.

3. Comments about Seasonal or Cyclical Factors

The operations of the Group are not affected by any seasonal or cyclical factor other than the plantation operations which are affected by seasonal production of fresh fruit bunches ("FFB") and weather conditions. Generally, the production of FFB 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 other than the gain on disposal of an associated company amounting to RM25 million, allowance for impairment loss on receivables of RM21 million and the gain on deconsolidation of a subsidiary company amounting to RM2.4 million.

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 or current financial year.

6. Changes in Debt and Equity Securities

There was no issuance, repurchase and repayment of debt and equity securities during the current financial year except for the redemption of RM30 million of Sukuk Ijarah and RM100 million of Murabahah Medium Term Notes by a subsidiary company, Tradewinds Plantation Berhad ("TPB").

7. Dividends Paid

Dividends paid during the current financial year were as follows:

	Current Year RM'000	Preceding Year RM'000
Final dividend of 25 sen per share that is made up of:		
- 12.73 sen gross dividend less 25% income tax; and	28,305	-
- 12.27 sen tax exempt dividend under single tier system in respect of the financial year ended 31 December 2011, approved on 28 June 2012, paid on 8 August 2012.	36,377	-
Single tier interim dividend of 15 sen per share in respect of the financial year ended 31 December 2012, declared on 30 November 2012, paid on 27 December 2012.	44,471	-
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

Tradewinds (M) Berhad (19123-K)

7. Dividends Paid (cont'd.)

Dividends paid during the current financial year were as follows: (cont'd.)

	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 2011, declared on 30 September 2011, paid on 30 November 2011.	-	44,471
	109,153	133,413

8. Segmental Reporting

Segment information is primarily presented in respect of the Group's business segments which are based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:

Rice	Procure, collect, process, import, export, purchase rice and paddy, including activities in relation to the distribution of rice.
Plantation	Cultivation of primarily oil palm, processing and sale of palm products and the provision of plantation management and advisory services.
Rubber	Purchasing, processing and marketing of natural rubber and latex, and manufacturing of value-added rubber and polymer products.
Sugar	Manufacture and sale of refined sugar.
Investment holding	Investment holding and provision of management services.

8. Segmental Reporting (cont'd.)

The segment information for the current financial year is as follows:

	Rice RM'000	Plantation RM'000	Rubber RM'000	Sugar RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2012							
Revenue							
External revenue	3,632,259	1,107,275	1,781,272	1,630,719	699	-	8,152,224
Intra-segment revenue	-	14,349	-	-	-	(14,349)	-
Inter-segment revenue	-	-	-	-	324,802	(324,802)	-
Total revenue	3,632,259	1,121,624	1,781,272	1,630,719	325,501	(339,151)	8,152,224
Results							
Operating results	202,413	301,723	21,284	208,385	517,830	(639,636)	611,999
Share of results of associated companies	21,035	-	810	-	-	-	21,845
Share of results of a jointly controlled entity	-	47	-	-	-	-	47
Segment results	223,448	301,770	22,094	208,385	517,830	(639,636)	633,891
Finance costs	(58,436)	(26,890)	(18,194)	(1,247)	(36,640)	1,362	(140,045)
Profit before taxation	165,012	274,880	3,900	207,138	481,190	(638,274)	493,846
Assets							
Operating assets	2,572,339	3,741,472	527,020	1,093,445	227,406	(355,425)	7,806,257
Investment in associated companies	327,517	-	7,260	-	-	-	334,777
Investment in a jointly controlled entity	-	23,572	-	-	-	-	23,572
Segment assets	2,899,856	3,765,044	534,280	1,093,445	227,406	(355,425)	8,164,606
Tax assets							114,712
Total assets							8,279,318

8. Segmental Reporting (cont'd.)

	Rice RM'000	Plantation* RM'000	Rubber* RM'000	Sugar RM'000	Investment Holding/ Others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2011							
Revenue							
External revenue	3,530,732	1,324,743	503,965	1,571,952	2,064	-	6,933,456
Intra-segment revenue	-	25,770	-	-	-	(25,770)	-
Inter-segment revenue	-	5,825	-	58,294	245,922	(310,041)	-
Total revenue	3,530,732	1,356,338	503,965	1,630,246	247,986	(335,811)	6,933,456
Results							
Operating results	268,619	562,720	4,215	249,479	191,157	(277,572)	998,618
Share of results of associated companies	27,012	-	1,619	-	-	-	28,631
Share of results of a jointly controlled entity	-	5,036	-	-	-	-	5,036
Segment results	295,631	567,756	5,834	249,479	191,157	(277,572)	1,032,285
Finance costs	(56,898)	(30,098)	(5,885)	(5,387)	(43,055)	6,071	(135,252)
Profit/ (loss) before taxation	238,733	537,658	(51)	244,092	148,102	(271,501)	897,033
Assets							
Operating assets	2,448,659	3,527,684	569,591	1,038,331	378,428	(525,432)	7,437,261
Investment in associated companies	320,672	-	57,364	-	-	-	378,036
Investment in a jointly controlled entity	-	23,525	-	-	-	-	23,525
Segment assets	2,769,331	3,551,209	626,955	1,038,331	378,428	(525,432)	7,838,822
Tax assets							122,321
Total assets							7,961,143

* the comparative figures have been restated to conform with the revised definitions of reportable segments during the year from that used in the audited financial statements for the financial year ended 31 December 2011.

Tradewinds
(M) Berhad (19123-K)

9. Changes in the Composition of the Group

(a) Deregistration of a subsidiary company, Croesus Limited ("Croesus")

Croesus, a wholly-owned subsidiary company of Delta Delights Sdn Bhd ("DDSB") which in turn is a wholly-owned subsidiary company of the Company, by a resolution made in accordance with its Articles of Association and in accordance with the relevant laws of Hong Kong, has filed an application for deregistration of Croesus with the Companies Registry in Hong Kong on 23 November 2011 (the "Deregistration").

The Deregistration is in line with the Company's rationalisation efforts to wind up inactive/ dormant subsidiary companies.

The Deregistration was completed on 5 April 2012 following the publication of the Gazette Notice by the Hong Kong Companies Registry notifying the Deregistration and dissolution of Croesus on even date. The gain on the deconsolidation of Croesus amounted to RM2.4 million was recorded in the current financial year.

(b) Disposal of an associated company, R1 International Pte Ltd ("R1")

On 8 February 2012, Mardec International Sdn Bhd ("MISB"), an indirect wholly-owned subsidiary company of TPB, entered into a conditional Share Sale Agreement with Hainan State Farms Investment Limited and Hainan Rubber Group (Singapore) Pte Ltd for the disposal of 3,150,000 ordinary shares of USD1.00 each, representing 45% of the equity interest in R1 for a cash consideration of USD25,862,508 or approximately RM76 million. The disposal was completed on 30 April 2012 realising a gain of RM25 million.

(c) Group restructuring of Plantation Division.

On 29 March 2012, the Company entered into a conditional Share Sale Agreement with Amalan Penaga (M) Sdn Bhd ("APSB"), a wholly-owned subsidiary company of TPB, for the disposal of 11,259,523 ordinary shares of RM1.00 each in Retus Plantation Sdn Bhd ("RPSB") ("Disposal of Shares"), representing 60% of its issued and paid-up share capital, for a sale consideration of an amount equal to 60% of the net tangible asset value ("NTAV") of RPSB Group ("Proposed Disposal of RPSB") as determined and agreed by the Company and APSB, in accordance with the Share Sale Agreement.

The transaction was completed on 28 September 2012 and the cash consideration for the Disposal of Shares is RM134,964,467 based on the NTAV of RPSB of RM224,940,778 as at 31 August 2012, being the agreed NTAV determination date.

The effect of the restructuring is a dilution of the Group's effective interest in RPSB from 60% to 41.86%. There is no gain or loss recognised in the Group's income statement.

Tradewinds
(M) Berhad (19123-K)

9. Changes in the Composition of the Group (cont'd.)

(d) Formation of LPT Biomass Sdn Bhd ("LPT Biomass")

On 17 July 2012, Johore Tenggara Oil Palm Berhad (“JTOP”), a wholly-owned subsidiary company of TPB, entered into a Shareholders Agreement with Future NRG Sdn Bhd (“FNRG”) to collaborate with each other and invest in LPT Biomass as the joint venture company between JTOP and FNRG to undertake and carry out the construction and operation of a dry long fibre plant at Sungai Kachur Oil Palm Estate, an estate owned by a wholly-owned subsidiary company of TPB, with an estimated construction cost of RM6.67 million. The issued and paid-up capital of LPT Biomass is RM100,000 comprising 100,000 ordinary shares of RM1.00 each and the agreed shareholding ratio of JTOP and FNRG in LPT Biomass is 70% and 30%, respectively.

The formation of LPT Biomass did not have any material effect on the earnings and net assets of the Group for the current financial year.

(e) Acquisition of a subsidiary company, Warisan Bayumas Sdn Bhd ("WBSB")

On 24 December 2012, Subur Majubumi Sdn Bhd, a wholly-owned subsidiary company of Padiberas Nasional Berhad ("Bernas") had entered into a Share Acquisition Agreement to acquire the entire issued and paid-up share capital of WBSB for a cash consideration of RM2.00 only. The acquisition has no material effect on the Group's financial statements.

Other than the above, there was no change in the composition of the Group during the current financial year.

10. Significant Events

(a) Acquisition of a proposed building to be developed

On 18 April 2012, a wholly-owned subsidiary company of the Company, Sovereign Place Sdn Bhd, has entered into a conditional Sale and Purchase Agreement (“SPA”) with Skyline Atlantic Sdn Bhd, a wholly-owned subsidiary company of Tradewinds Corporation Berhad in which a major shareholder of the Company has interest, for the proposed acquisition of 31 floors of strata office space (with a net lettable area of 439,800 square feet) with 440 car park bays of the proposed building (“MTR 2 Building”) to be developed for a total cash consideration of RM510 million (the “Proposed Acquisition”).

At the Company's Extraordinary General Meeting ("EGM") held on 28 June 2012, the Proposed Acquisition was approved by the shareholders.

The SPA had become unconditional on 29 June 2012 when all the conditions precedent of the SPA had been fulfilled on that date.

The Proposed Acquisition will be completed upon the full settlement of the purchase consideration for the Proposed Acquisition of RM510 million in accordance with the terms of the SPA.

Tradewinds (M) Berhad (19123-K)

10. Significant Events (cont'd.)

(b) Extension of the Bernas Agreement

On 18 September 2012, Bernas has entered into an agreement with the Government of Malaysia ("Bernas Agreement") for the extension of the Bernas Agreement dated 12 January 1996 for a further period of 10 years commencing from 11 January 2011 to 10 January 2021 subject to the terms and conditions contained therein.

(c) Privatisation and delisting exercise of the Company

On 24 December 2012, the Company received a Notice of Conditional Take-Over Offer from Perspective Lane (M) Sdn Bhd ("PLSB"), Kelana Ventures Sdn Bhd, Seaport Terminal (Johore) Sdn Bhd and Acara Kreatif Sdn Bhd ("the Joint Offerors") through Maybank Investment Bank Berhad ("Maybank IB") to acquire all the remaining ordinary shares of RM1.00 each in the Company not already owned by the Joint Offerors (“Offer Shares”) for a cash offer price of RM9.30 per Offer Share ("Offer").

As at 24 December 2012, the Joint Offerors held directly 133,778,663 shares of the Company, representing approximately 45.13% of the issued and paid-up share capital of the Company. The Offer is conditional upon it being validly accepted by the holders of the Offer Shares of not less than nine-tenths (9/10) in the nominal value of the Offer Shares, unless the Joint Offerors wish to reduce the acceptance level to not lower than 50% of the issued and paid up share capital of the Company. In the event that the Offer becomes unconditional, the level of acceptances will result in:

(i) PLSB increasing its shareholding above 33% of the issued and paid-up share capital of the Company; and/or

(ii) the equity interest of the Joint Offerors in the Company to increase by more than 2% of the issued and paid-up share capital of the Company in the six (6) months period.

In such event, pursuant to Section 9(1) and Section 4.1 of Practice Note 9 of the Malaysia Code on Take-Overs and Mergers, 2010 ("Code"), the Joint Offerors will trigger obligations to undertake mandatory take-over offer for:

(i) all the remaining ordinary shares of RM1.00 each in TPB (“TPB Shares") not already owned by the Joint Offerors and the Company, being the person acting in concert with the Joint Offerors, and such number of new TPB Shares that may be issued and allotted prior to the close of the take-over offer of TPB pursuant to the conversion of the outstanding irredeemable convertible unsecured loan stocks of TPB (“TPB ICULS”) for a cash offer price of RM4.03 per TPB Share and all the outstanding TPB ICULS not already owned by the Joint Offerors and the Company for a cash offer price of RM2.52 per TPB ICULS; and

(ii) all the remaining shares of RM1.00 each of Bernas ("Bernas Share") not already owned by the Joint Offerors and the Company, for a cash offer price of RM3.25 per Bernas Share.

In the event the Offer is successful, the Joint Offerors do not intend to maintain the listing status of the Company even if the acceptance condition is revised to a lower level, which ultimately results in the Company being delisted from the Main Market of Bursa Securities.

Tradewinds (M) Berhad (19123-K)

10. Significant Events (cont'd.)

(c) Privatisation and delisting exercise of the Company (cont'd.)

On 31 December 2012, the Board has announced its intention not to seek an alternative person to make a take-over offer for the Offer Shares in the notification to shareholders that contains the notice from the Joint Offerors.

The development of this privatisation and delisting exercise subsequent to year end is described in the ensuing Note 11 (a).

11. Material Subsequent Events

(a) Privatisation and delisting exercise of the Company

There were several developments subsequent to year end in relation to the privatisation and delisting of the Company as follows:

(i) On 8 January 2013, M&A Securities Sdn Bhd has been appointed as the independent adviser to advise the non-interested Directors and holders of the Offer Shares in relation to the Offer in accordance with the Code;

(ii) On 14 January 2013, the Offer documents were despatched by the Joint Offerors to the holders of the Offer Shares for their due consideration;

(iii) On 25 January 2013, the Independent Advice Circular ("IAC") was circulated to the holders of the Offer Shares;

(iv) On 31 January 2013, the Joint Offerors have given a notice to the holders of the Offer Shares, on the extension of the closing date of acceptance from 5.00 p.m. on 4 February 2013 to 5.00 p.m. on 28 February 2013 ("Revised Closing Date") with all other details, terms and conditions of the Offer remain unchanged;

(v) On 20 February 2013, the Company has received a press notice from the Joint Offerors through Maybank IB, informing that the Joint Offerors collectively hold in aggregate 90.19% of the Company's issued and paid-up share capital, based on the valid acceptance of the Offer from the holders of the Offer Shares as at 5.00 p.m. on 20 February 2013. Pursuant to the Main Market Listing Requirements of Bursa Securities, the trading of the Company's shares was suspended with effect from 9.00 a.m., Thursday, 28 February 2013; and

(vi) On 28 February 2013, the Company has received a press notice from the Joint Offerors through Maybank IB, informing that the Joint Offerors have received valid acceptances of the Offer in respect of 147,691,316 TWM Shares, representing 49.82% of the Company's issued and paid-up share capital resulting in the Joint Offerors collectively holding 94.95% of the Company's issued and paid-up share capital.

By virtue of having received valid acceptances of not less than nine-tenths (9/10) in the nominal value of the Offer Shares, the Offer has become unconditional.

Tradewinds (M) Berhad (19123-K)

11. Material Subsequent Events (cont'd.)

(a) Privatisation and delisting exercise of the Company (cont'd.)

As stated in the Offer document, the Joint Offerors do not intend to maintain the listing status of the Company and intend to invoke provisions under Section 222 of the Capital Markets and Services Act, 2007 ("CMSA") to compulsorily acquire any outstanding Offer Shares for which valid acceptances have not been received under the Offer ("Remaining Offer Shares"). Accordingly, the Joint Offerors will, at any time within two (2) months from 28 February 2013, proceed to exercise their right to compulsorily acquire the Remaining Offer Shares.

In view of the Offer becoming unconditional, the closing date and time for acceptance of the Offer has been extended from 5.00 p.m. on Thursday, 28 February 2013 to 5.00 p.m. on Thursday, 14 March 2013 ("Final Closing Date") with all other details, terms and condition of the Offer remain unchanged.

(b) Acquisition of additional interest in a subsidiary company, Northern Intergrated Agriculture Sdn Bhd ("NIASB")

On 19 December 2012, TPB entered into a Share Sale Agreement with Perbadanan Kemajuan Negeri Kedah (“PKNK”) for the acquisition of 300,000 ordinary shares of RM1.00 each representing the balance 30% equity interest in NIASB, which was a 70% owned subsidiary company of TPB, for a purchase consideration equal to 30% of the Net Asset Value (“NAV”) of NIASB as at 31 December 2012 based on the audited financial statements for the year ended 31 December 2012. Based on the anticipated NAV as at 31 December 2012, the purchase consideration is RM24 million of which RM2.4 million has been paid as deposit.

The acquisition was completed on 16 January 2013 and TPB has paid the remaining purchase consideration of RM21.6 million based on the anticipated NAV as at 31 December 2012. Consequently, NIASB becomes a wholly-owned subsidiary company of TPB.

The balance of the purchase consideration which is the amount in excess of RM24 million shall be payable by TPB to PKNK within 14 days from the date both parties mutually agree on the final NAV to be determined based on the audited financial statements for the year ended 31 December 2012.

(c) Proposed disposal of equity interest in a subsidiary company, Haskarice Food Sdn Bhd ("HFSB")

On 26 February 2013, Dayabest Sdn Bhd (“Dayabest”), a wholly-owned subsidiary company of Bernas had entered into the Sale and Purchase Agreement (“SPA”) with Unified Corridor Sdn Bhd (“UCSB”) for the disposal of 153,000 ordinary shares of RM1.00 each which is equivalent to 51% of equity interest in HFSB to the existing shareholder, UCSB for a purchase consideration of RM1.00. The rationale of the disposal is part of Bernas Group's restructuring exercise to divest non-performance and loss-making subsidiary company.

The proposed disposal will not have any material effect on the earnings and net assets of the Group for the financial year ending 31 December 2013.

Tradewinds (M) Berhad (19123-K)

12. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 December 2012 were as follows:

		RM'000
Property, plant and equipment		
- approved and contracted for	610,329	
- approved but not contracted for	176,654	
		786,983
Biological assets		
- approved and contracted for	87,762	
- approved but not contracted for	61,806	
		149,568
Investment in subsidiary company		
- approved and contracted for		21,600
Investment in associated companies		
- approved but not contracted for		50,000
Patent		
- approved and contracted for		300
Share of capital commitment of a jointly controlled entity		
- approved and contracted for		4,213
Share of capital commitment of associated companies		
- approved and contracted for	7,231	
- approved but not contracted for	18	
		7,249
		1,019,913

Tradewinds
(M) Berhad (19123-K)

13. Contingent Liabilities and Contingent Assets

The Group has no contingent liability or contingent asset as at 31 December 2012, other than the following:

(a) Padiberas Nasional Berhad ("Bernas"), a subsidiary company of the Company, was served with a Writ of Summons and Statement of Claim dated 5 May 2006 initiated by A Halim bin Hamzah and 291 others (“the Plaintiffs”). The civil suit is brought by the Plaintiffs against Bernas and 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 of the Rules of the High Court 1980 ("the 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 is to be borne by the Plaintiffs; and

(iii) Such further or other orders as the Court deemed fit.

The Court has granted Order In Terms for the Bernas’ Application to strike out the 21st Defendant with cost payable to Bernas but dismissed the Bernas' Application to strike out the 2nd to 12th Defendants on 3 September 2007. On 3 March 2008, the Court dismissed the 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 came up for decision on 30 April 2012 and the High Court dismissed the Plaintiffs' claim with no order as to cost. The Plaintiffs had on 29 May 2012 filed Notice of Appeal to the Court of Appeal against the High Court's decision in dismissing their claims against Bernas. No hearing date has been fixed by the Court of Appeal.

13. Contingent Liabilities and Contingent Assets (cont'd.)

(b) 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 the 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 years, 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 reliefs that the Court deemed fit and appropriate; and

(v) Costs to be paid by Bernas to the Plaintiffs.

On 8 February 2013, the Court has, in a hearing session, dismissed the Plaintiff's application and awarded costs to Bernas.

13. Contingent Liabilities and Contingent Assets (cont'd.)

(c) At TPB Group level, the contingent liability as at 31 December 2012 is as follows:

	RM'000
Pending litigation	10,931

The pending material litigation against the TPB Group is a claim filed against a subsidiary company of MARDEC Berhad ("Mardec"), Mardec Yala Co Ltd, for the alleged wrongful transfer of shares and the claim for compensation of Thai Baht (BHT)110 million (approximately RM10.9 million). On 3 December 2007, the Court dismissed the claim and issued a written judgment. However, the claimant filed an appeal against the judgment of which the Court has dismissed the claims. The claimant has further appealed to the Supreme Court on 30 July 2010. Pending the outcome of that appeal which is expected to be delivered by the end of 2013, no provision has been made in the financial statements.

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

1. Review of Performance

(a) Current Quarter vs. Corresponding Quarter Last Year

For the current quarter under review, the Group's revenue declined to RM1.9 billion compared to RM2.2 billion of the corresponding quarter last year due to a drop in revenue in all operating divisions. As a result, the Group recorded a lower profit before taxation of RM109 million during the current quarter as compared to RM224 million in the same quarter last year despite a slightly higher profit before taxation in the Rice Division.

	Rice RM'mil	Plantation RM'mil	Rubber RM'mil	Sugar RM'mil	Investment Holding/ Others RM'mil	Elimination RM'mil	Consolidated RM'mil
Revenue							
Q4: 2012	913	298	297	414	136	(135)	1,923
Q4: 2011	980	352	504	448	77	(155)	2,206
Changes	(67)	(54)	(207)	(34)	59	20	(283)
Profit / (loss) before taxation							
Q4: 2012	46	75	(29)	57	103	(143)	109
Q4: 2011	32	143	-	81	52	(84)	224
Changes	14	(68)	(29)	(24)	51	(59)	(115)

The performance of the respective operating business segments for the current quarter as compared to the corresponding quarter last year is analysed as follows:

(i) Rice – Revenue fell 7% mainly due to lower sales of imported rice. However, profit before taxation grew by RM14 million due to higher gross profit margin arising from lower cost of sales.

(ii) Plantation – Despite the higher production of FFB, revenue decreased by RM54 million for the current quarter under review mainly due to the lower prices of palm products. Profit before taxation decreased to RM75 million for the current quarter under review from RM143 million for the same quarter last year primarily due to lower profit margin resulted from lower prices of palm products.

Tradewinds
(M) Berhad (19123-K)

1. **Review of Performance (cont'd.)**

(a) Current Quarter vs. Corresponding Quarter Last Year (cont'd.)

(iii) Rubber – Revenue dropped by RM207 million mainly due to lower prices of rubber products for the current quarter under review. The Rubber Division recorded a loss before taxation of RM29 million mainly due to the allowance for impairment loss on receivables of RM21 million and losses incurred by certain overseas subsidiary companies.

(iv) Sugar – Lower revenue was mainly attributable to lower sales volume. Lower profit before taxation registered in the current quarter compared to the corresponding quarter last year was mainly attributable to higher cost of production.

(v) Investment Holding/Others – The Company recorded higher revenue as compared to the same quarter last year due to higher dividend income received from subsidiary companies. Consequently, profit before taxation also increased as compared to the corresponding quarter last year.

(b) Current Year vs. Preceding Year

For the current year, the Group recorded higher revenue of RM8.2 billion as compared to RM6.9 billion in the preceding year. However, profit before taxation declined to RM494 million from last year's RM897 million mainly due to the drop in performance from all the operating divisions.

	Rice RM'mil	Plantation RM'mil	Rubber RM'mil	Sugar RM'mil	Investment Holding/ Others RM'mil	Elimination RM'mil	Consolidated RM'mil
Revenue							
2012	3,632	1,122	1,781	1,631	326	(340)	8,152
2011	3,531	1,356	504	1,630	248	(336)	6,933
Changes	101	(234)	1,277	1	78	(4)	1,219
Profit before taxation							
2012	165	275	4	207	481	(638)	494
2011	239	538	-	244	148	(272)	897
Changes	(74)	(263)	4	(37)	333	(366)	(403)

The performance of the respective operating business segments for the current year as compared to last year is analysed as follows:

(i) Rice – The higher revenue was contributed by higher volume of rice sold. However, lower profit before taxation was recorded largely due to higher cost of imported rice.

1. **Review of Performance (cont'd.)**

(b) **Current Year vs. Preceding Year (cont'd.)**

(ii) Plantation – Revenue decreased primarily due to lower production and prices of palm products. Profit before taxation dropped in line with the reduction in revenue compounded by higher operating expenses and lower share of results of a jointly controlled entity.

(iii) Rubber – Higher revenue of RM1.8 billion and profit before taxation of RM4 million were recorded as compared to RM504 million revenue and RM51,000 loss before taxation in the previous year. The better results were mainly due to the full-year contribution of MARDEC Berhad ("Mardec") for the current financial year as compared to 3 months contribution in the previous financial year. The profit before taxation of RM4 million includes the gain on disposal of an associated company approximately RM25 million which was largely offset by the allowance for impairment loss on receivables of RM21 million.

(iv) Sugar – Although the current year's revenue was similar to last year's, the current year's profit before taxation was lower mainly attributable to the higher cost of production.

(v) Investment Holding/Others – The increase in profit before taxation in the current year was mainly due to the fair value gain in respect of other investments, gain on disposal of an investment in a subsidiary company and higher dividend income from subsidiary companies.

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

	Current Quarter RM'000	Immediate Preceding Quarter RM'000	Decrease RM'000
Profit before taxation	109,061	160,502	(51,441)

The current quarter's profit before taxation was lower as compared to the immediate preceding quarter primarily due to the following:

(i) decline in palm products prices caused by weaker global demand and concerns over rising palm oil stock in Malaysia;

(ii) higher operating expenses in the Plantation Division; and

(iii) allowance for impairment loss on receivables of RM21 million in Rubber Division.

The above factors have adversely affected the Group's profit before taxation despite better performance recorded in the Rice and Sugar divisions.

Tradewinds
(M) Berhad (19123-K)

3. Prospects

Rice Division

The trend in early 2013 indicates that the rice market is expected to show undercurrents of weakness caused by the current relatively weak demand and the possibility of Vietnam’s bumper harvest in February 2013.

The weaker price trend is expected to prevail possibly untill mid of 2013. From then onwards, the Southwest monsoon affecting India and Pakistan will be critical in determining how prices will behave for the remaining balance of the year. A good monsoon will mean India and Pakistan will likely experience a good harvest and prices will generally remain soft. A late or lower rainfall will mean otherwise.

The global ending stocks in 2013 is expected to be lower by 3 million metric tonnes ("MT") to 102.5 million MT, thus any sign in either further deterioration in supply or improvement in demand from the current outlook will be a strong support for higher prices than the current market level.

In view of the above, the Rice Division's performance is expected to be satisfactory in 2013.

Plantation Division

The profitability of the Plantation business segment in 2013 is very much determined by the price movements of oil palm products. Crude palm oil prices had experienced a decline since August 2012 as a result of weaker global demand and concerns over rising palm oil stock. However, prices are expected to improve in 2013 underpinned by the following:

(i) reduction of export duty for crude palm oil effective January 2013;

(ii) implementation of B10 biodiesel programme to increase crude palm oil consumption;

(iii) accelerated replanting programme for old and unproductive palm trees, thereby reducing production;

(iv) softening palm oil production in the first half of 2013; and

(v) concerns over dry weather in Argentina which will affect the soybean oil production.

The labour shortage experienced by the industry will continue to affect plantation operations whilst rising labour cost will exert downward pressure on profit margin.

The Plantation Division will continue to enhance labour productivity and improve operational efficiency to offset the negative impact of rising cost and shortage of labour.

Given the above scenario and based on the anticipated improvement in prices of palm products, the Plantation Division expects the results for the financial year ending 31 December 2013 to remain satisfactory.

3. Prospects (cont'd.)

Rubber Division

The current global economic conditions continue to be challenging for the Rubber Division with the natural rubber prices under pressure in the short term due to subdued demand and increase in production by rubber producing countries. The Division will continue with its cautious approach undertaken to mitigate any negative economic effects through better raw materials purchase control and introducing control mechanism to protect its margins during price volatility and to optimise financial results for 2013.

Sugar Division

The Sugar Division expects lower profit before taxation for financial year ending 31 December 2013 as compared to that of 2012 due to :

(i) higher refining costs to be incurred arising from anticipated higher energy costs; and

(ii) lower export profit margins arising from lower raw/white premiums, thus making exports very competitive especially against Thailand's export.

Every effort will be made by the division to buy cheaper raw sugars and sell refined sugars at the highest price possible as and when the opportunity arises together with improved productivity.

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.

Tradewinds (M) Berhad (19123-K)

5. Amount Charged/(Credited) in the Statements of Comprehensive Income include:

	Current Quarter RM'000	Current Year RM'000
Interest income	(7,539)	(17,170)
Interest expense	31,302	140,045
Depreciation and amortisation charges	66,045	241,332
Net allowance for impairment of receivables	21,481	10,075
Inventories written down	326	2,395
Gain on disposal of property, plant and equipment	(132)	(928)
Property, plant and equipment written off	1,304	1,760
Gain on deconsolidation of a subsidiary company	-	(2,427)
Gain on disposal of an associated company	-	(24,956)
Foreign exchange (gain) / loss - unrealised	(1,047)	2,532
Net fair value loss / (gain) on derivative instruments	2,607	(484)
Exceptional items	*	*

* There is no such reportable item as required by Bursa Securities in the current quarter and current year.

6. Taxation

Taxation comprises:

	Current Quarter RM'000	Current Year RM'000
Income tax	59,233	189,901
Deferred tax	(6,736)	(11,491)
	52,497	178,410

The taxation charge of the Group for the financial year reflects an effective tax rate which is higher than the statutory income tax rate mainly due to certain expenses which were not deductible for tax purposes and tax losses of certain subsidiary companies within the Group which are not available for group relief.

Tradewinds (M) Berhad (19123-K)

7. (a) **Status of Corporate Proposals**

Save as disclosed in Note 11(a) of Part A, there was no corporate proposal announced but not completed as at 28 February 2013, being the latest practicable date.

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

There was no corporate proposal involving fund raising for the current year.

8. **Group Borrowings and Debt Securities**

The Group borrowings as at the end of the current financial year are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings	417,945	1,307,225	1,725,170
Long term borrowings	1,188,369	748,585	1,936,954
Total borrowings	1,606,314	2,055,810	3,662,124

The above include borrowings denominated in foreign currency as follows:

	RM'000
United States Dollar	87,413
Indonesian Rupiah	27,537
Thai Baht	6,524
	121,474

Tradewinds
(M) Berhad (19123-K)

9. Derivative Financial Instruments

Foreign exchange forward contracts are entered into by the Group to hedge the committed sales and purchases denominated in US Dollars and Euros for Rubber Division that existed at the reporting date. The hedging of foreign currencies is to minimise the Group's exposure to fluctuations in foreign exchange arising from sales and purchases.

The outstanding foreign exchange forward contracts as at 31 December 2012 are as follows:

	RM'000
Derivative assets	
Fair value of foreign exchange forward contracts	282
Derivative liabilities	
Fair value of foreign exchange forward contracts	110
Foreign exchange forward contracts	
Nominal value	113,292

All the outstanding foreign exchange forward contracts as at 31 December 2012 have maturity periods of less than one year.

For the financial year ended 31 December 2012, there was no change to the credit risk, market risk, liquidity risk, cash requirements, risk management policies and accounting policies associated with the derivatives.

10. Losses or (Gains) arising from Fair Value Changes of Financial Liabilities

Losses/(Gains) arising from fair value changes of financial liabilities for the current quarter and current financial year are as follows:

	Current Quarter RM'000	Current Year RM'000
Foreign exchange forward contracts	2,620	(484)

The loss arising from fair value changes of foreign exchange forward contracts during the current quarter under review was due to unfavourable movements of foreign exchange rates. The fair value changes of these contracts were calculated based on forward exchange rates.

Tradewinds (M) Berhad (19123-K)

11. Material Litigations

Save as disclosed in Note 13 of Part A, there was no material litigation as at 28 February 2013, being the latest practicable date.

12. Dividend Payable

There is no dividend payable at the end of the current year.

13. Earnings Per Share

(a) Basic earnings per share

	Current Year	Preceding Year
Profit attributable to equity holders of the Company (RM'000)	208,198	474,917
Weighted average number of ordinary shares in issue ('000)	296,471	296,471
Basic earnings per share (sen)	70.23	160.19

(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 financial year.

14. Audit Report of the Preceding Year's Annual Financial Statements

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

Tradewinds
(M) Berhad (19123-K)

15. Disclosure on Realised and Unrealised Profit / Loss

The retained profits as at 31 December 2012 and 31 December 2011 are analysed as follows:

	31.12.2012 RM'000	31.12.2011 RM'000
Total retained profits of the Company and its subsidiary companies:		
- realised profits	3,610,175	3,264,259
- unrealised losses	(115,210)	(113,450)
	3,494,965	3,150,809
Total share of accumulated profits from a jointly controlled entity:		
- realised profits	3,809	3,761
- unrealised losses	(237)	(237)
	3,572	3,524
Total share of retained profits from associated companies:		
- realised profits/(losses)	122,844	(5,053)
- unrealised (losses)/profits	(9,938)	6,672
	112,906	1,619
Less: Consolidation adjustments	(1,569,332)	(1,191,979)
Total Group retained profits as per consolidated financial statements	2,042,111	1,963,973

16. Authorisation for Release

This interim financial statements for the financial period/ year ended 31 December 2012 have been reviewed and approved by the Board on 28 February 2013 for public release.

BY ORDER OF THE BOARD

ZAINAL RASHID BIN AB RAHMAN (LS007008)
Company Secretary

Kuala Lumpur
28 February 2013