



**SARAWAK PLANTATION BERHAD**  
(Incorporated in Malaysia - 451377- P)

# INTERIM REPORT FOR 4TH QUARTER ENDED 31 DECEMBER 2007



**SARAWAK PLANTATION BERHAD**  
(Incorporated in Malaysia - 451377- P)

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**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2007**  
(The figures have not been audited)

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**Condensed Consolidated Balance Sheet**  
(The figures have not been audited)

	Notes	As At End Of Current Year - Period To Date 31/12/2007 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2006 (Audited) RM'000
<b>Non-current assets</b>			
Property, plant and equipment		211,893	149,704
Prepaid lease rental		7,707	8,098
Investment in associates		0	25
Other investments		1,740	1,289
Deferred tax asset		3,015	0
Plantation development expenditure		213,215	208,895
		437,570	368,011
<b>Current assets</b>			
Inventories		14,657	11,035
Trade and other receivables		26,576	14,627
Amount due from a corporate shareholder		0	11,166
Tax recoverable		490	454
Non current asset classified as asset held for sale		533	40
Short term deposits		130,626	103,567
Cash and bank balances		3,327	2,075
		176,209	142,964
<b>Current liabilities</b>			
Trade and other payables		50,057	30,431
Amount due to a corporate shareholder		1,876	24,341
Borrowings		50,000	53,564
Tax payable		4,790	840
Dividend payable		0	45,000
		106,723	154,176
<b>Net current assets/(liabilities)</b>		69,486	(11,212)
		507,056	356,799
<b>Capital and reserves</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	A6	280,000	135,000
Share premium		60,969	73,405
Retained earnings		139,070	132,430
Other reserve		493	0
		480,532	340,835
<b>Minority interests</b>		2,836	537
<b>Total equity</b>		483,368	341,372
<b>Non-current liabilities</b>			
Deferred tax		23,688	15,427
		507,056	356,799
<b>Net assets per share attributable to equity holders of the Company (RM)</b>		1.72	2.52

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Income Statements**  
(The figures have not been audited)

	Notes	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
		Current Year Quarter 31/12/2007 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2006 (Unaudited) RM'000	Current Year - Period To Date 31/12/2007 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2006 (Unaudited) RM'000
<b>Revenue</b>		79,293	-	244,009	-
Cost of sales		(40,762)	-	(123,359)	-
<b>Gross profit</b>		38,531	-	120,650	-
Other operating income		2,178	-	5,246	-
Distribution costs		(3,694)	-	(12,000)	-
Administrative expenses		(6,396)	-	(23,969)	-
Replanting expenditure		(1,208)	-	(5,262)	-
Finance costs		(638)	-	(1,872)	-
Share of results of associates		(25)	-	(25)	-
<b>Profit before tax</b>		28,748	-	82,768	-
Taxation	B5	1,821	-	(11,324)	-
<b>Profit for the period</b>		30,569	-	71,444	-
<b>Profit for the period attributable to:</b>					
<b>Equity holders of the Company</b>		28,685	-	68,235	-
<b>Minority interest</b>		1,884	-	3,209	-
		30,569	-	71,444	-
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
<b>Basic</b>	B13	10.24	-	26.22	-
<b>Diluted</b>		N/A	-	N/A	-

The comparative figures for the preceding year's corresponding quarter and period to date are not presented as this is the Company's first Quarter 4 Interim Report

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD***(Incorporated in Malaysia - 451377- P)***Condensed Consolidated Statement Of Changes In Equity**

(The figures have not been audited)

	Notes	Attributable to equity holders of the Company							
		Issued and paid up ordinary shares of RM1.00 each		Share premium	Other reserve	Retained earnings	Total	Minority interest	Total equity
		Number of shares	Nominal value						
		'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2007</b>		135,000	135,000	73,405	-	132,430	340,835	537	341,372
Recognition of ESS	A1(a)	-	-	-	493	-	493	-	493
Bonus Issue of shares	B9	115,000	115,000	(68,405)	-	(46,595)	-	-	-
Public Issue of shares	B9	30,000	30,000	60,000	-	-	90,000	-	90,000
Share issue expenses		-	-	(4,031)	-	-	(4,031)	-	(4,031)
Net profit for the financial period		-	-	-	-	68,235	68,235	3,209	71,444
Less: Dividend paid in respect of the financial year 31 December 2006	A8	-	-	-	-	(15,000)	(15,000)	-	(15,000)
Less: Dividend paid to Minority Shareholder of a subsidiary in respect of the financial year 31 December 2007		-	-	-	-	-	-	(910)	(910)
<b>At 31 December 2007</b>		280,000	280,000	60,969	493	139,070	480,532	2,836	483,368

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this report)



### Condensed Consolidated Cash Flow Statements

(The figures have not been audited)

	Cumulative Quarter (12 Months)	
	Current Year - Period To Date 31/12/2007 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2006 (Unaudited) RM'000
Net cash inflow from operating activities	66,052	-
Net cash outflow from investing activities	(59,729)	-
Net cash inflow from financing activities	21,988	-
Net increase in cash and cash equivalents	28,311	-
Cash and cash equivalents at beginning of financial period	104,357	-
Cash and cash equivalents at end of financial period	132,668	-
<b>Represented by:</b>		
Short term deposits	130,626	-
Cash and bank balances	3,327	-
	133,953	-
Less:		
Bank balance restricted*	(490)	-
Deposits pledged	(795)	-
Cash and cash equivalents	132,668	-

\* The bank balance is restricted as security for bank guarantees.

The comparative figures for the preceding year's period to date are not presented as this is the Company's first Quarter 4 Interim Report

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this report)



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**Part A – Explanatory Notes Pursuant to Financial Reporting Standards (“FRS”) 134 – Paragraph 16**

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**A1. Basis of preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134 “Interim Financial Reporting” and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited annual financial statements for the year ended 31 December 2006, the accompanying explanatory notes attached to this report and the audited interim financial statements for the period ended 31 March 2007 as set out in the Prospectus dated 7 August 2007.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited annual financial statements for the financial year ended 31 December 2006, except for the adoption of the following new and revised FRS:

Standards and amendments to published standards that are effective

The new standards that are effective for the Group’s and the Company’s financial period beginning on 1 January 2007 are as follows:

(a) FRS 2: Share Based Payment

This standard requires an entity to recognise share based payment transaction in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The Group has adopted this new policy and recognised a reserve upon sale of shares in the Company by its shareholders to certain employees in respect of Employee Share Scheme (ESS). The reserve and expense recognised in the income statement is the difference in the fair value of the shares granted to employees and the fair value received by the offerors, in exchange for the shares.

(b) FRS 117: Leases

This standard requires the classification of leasehold land as prepaid lease payments. These assets are now required to be presented as a separate line item under non current assets and are amortised on a straight line basis over the lease terms. The change in accounting policy was accounted for retrospectively and the impact on the Group’s financial statements for the prior financial year is set out in Note A7.

(c) FRS 124: Related Party Disclosures

This standard will affect the identification of related parties and some other related party disclosures resulting in additional disclosures in the Group’s financial statements for the current period and prior financial years.

Standards and amendments to published standards that are not yet effective and have been early adopted

The new standards and amendments to published standards that are mandatory for financial periods beginning on or after 1 July 2007 or later periods that is applicable to the Group and Company but have been early adopted, are as follows:

(a) FRS 112: Income Taxes

The amendments to this standard allows the recognition of unutilised investment tax credits as deferred tax assets to the extent that it is probable that sufficient future taxable profits are available to recover the deferred tax assets.

The Group has early adopted this standard and changed its accounting policy to recognise the deferred tax assets on the unabsorbed agriculture allowance. The impact on the Group and the Company’s financial statements for the current year is as set out below.

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**Part A – Explanatory Notes Pursuant to Financial Reporting Standards (“FRS”) 134 – Paragraph 16**

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**A1. Basis of preparation (continued)**

Standards and amendments to published standards that are not yet effective and have been early adopted

Impact on the Income Statement and Balance Sheet for the financial period/year ended 31 December 2007 as a result of adoption of FRS 112:

<u>Income Statement</u>	<b>RM</b>
Tax expense	(2,764,135)
Minority interest	<u>1,105,654</u>
<u>Balance Sheet</u>	<b>RM</b>
Deferred tax assets	2,764,135
Minority interest	<u>(1,105,654)</u>

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Standards and amendments to published standards that are not yet effective and have not been early adopted

The new standards and amendments to published standards that are mandatory for financial periods beginning on or after 1 July 2007 or later periods that is applicable to the Group but have not been early adopted, are as follows:

- (a) FRS 107: Cash Flow Statements  
The amendment to this standard provides for the option of voluntary disclosure for reconciliation of cash flows from operations with net profit or loss for the period for entity using direct method.
- (b) FRS 118: Revenue  
The amendments to this standard provides for additional guidance on the definition of “probable”.
- (c) FRS 134: Interim Financial Reporting  
The amendments to this standard provide additional disclosure on;
  - i. additional disclosure on the qualification and on current status of matters giving rise to the qualification and on current status of preceding financial statements was qualified; and
  - ii. additional disclosure on the fact that valuation of property, plant and equipment have been brought forward without any amendment from the previous annual financial statements.
- (d) FRS 137: Provisions, Contingent Liabilities and Contingent Assets  
The amendments to this standard removed editorial differences with IAS 37.

The new standards and amendments to published standards FRS 107, FRS 118 and FRS 137 does not have an impact on the Group’s financial statements.





**Part A – Explanatory Notes Pursuant to FRS 134**

**A2. Disclosure of Audit Report Qualification**

There was no qualification in the audit report on the preceding audited annual financial statements.

**A3. Seasonality or Cyclicity of Interim Operations**

The Group's performance is affected by the cropping pattern of fresh fruit bunches ("FFB") which normally reaches its peak in the second half of the year, that will be reflected accordingly in the crude palm oil ("CPO") and palm kernel ("PK") production of the Group and also by the prices of the CPO and PK which are determined by global supply and demand situation for edible oils and fats.

**A4. Unusual Items Affecting Assets, Liabilities, Equity, Net income or Cash Flow**

There were no items affecting assets, liabilities, equity, net income, or cash flows which were unusual in nature, size or incidence during the current interim financial period.

**A5. Material Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years and preceding interim periods which have material effect in the current interim financial period.

**A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities except as disclosed in Note B9.

**A7. Comparatives**

Arising from the adoption of the new and revised FRS applied by the Group effective from financial periods beginning on and after 1 January 2007, the following comparative figures have been restated to the current period presentation:

<u>As at 31 December 2006</u>	As previously stated RM'000	FRS 117 Change in accounting policies RM'000	As restated RM'000
Property, plant and equipment	8,098	(8,098)	-
Prepaid lease rental	-	8,098	8,098

**A8. Dividends Paid**

There was no dividend paid during the current interim quarter under review.

A net dividend of RM60 million had been paid to the Company's shareholders prior to the Initial Public Offering ("IPO") on 28 August 2007 as follows:

	Cumulative Quarter (12 Months)	
	Current Year - Period To Date 31/12/2007 RM'000	Preceding Year - Period To Date 31/12/2006 RM'000
Balance of final gross dividend in respect of financial year ended 31 December 2005 paid on 21 May 2007:		
- 94 sen per ordinary shares of RM1.00 each less income tax of 28%, of which RM58,688,000 had been paid on 8 August 2006	33,012	-
- 25 sen per ordinary share of RM1.00 each, tax exempt, of which RM21,312,000 had been paid on 8 August 2006	11,988	-
	45,000	-
Final gross dividend in respect of financial year ended 31 December 2006 paid on 21 May 2007:		
- 15 sen per ordinary share of RM1.00 each less income tax of 28%	15,000	-
	60,000	-



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**Part A – Explanatory Notes Pursuant to FRS 134**

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**A9. Segment Information**

No segment analysis was prepared as the Group is primarily engaged in the cultivation of oil palm and milling operations carried out in Malaysia which are within a single business segment.

**A10. Valuation of Property, Plant and Equipment**

There were no revalued property, plant and equipment at the end of the current interim financial period.

**A11. Impairment of Assets**

There was neither impairment loss nor reversal of such impairment loss recognised during the current interim financial period.

**A12. Material Events Subsequent to the End of the Interim Period**

There were no material events subsequent to the end of the current interim financial period that have not been reflected in the financial statements for the current interim financial period.

**A13. Changes in the Composition of the Group**

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings and discontinued operations.

**A14. Changes in Contingent Liabilities and Contingent Assets**

As at 31 December 2007, there were no material contingent liabilities or contingent assets, which upon being enforceable might have material impact on the financial position or business of the Group.

**A15. Capital Commitments**

As at 31 December 2007, there were no material capital commitments for capital expenditure, contracted for or known to be contracted for by the Group which might have a material impact on the financial position or business of the Group except as disclosed below:

	<b>At 31/12/2007</b>
	<b>RM'000</b>
<b>Capital Expenditure</b>	
Authorised and contracted for	41,388
Authorised and not contracted for	35,734
	<hr/>
	77,122
	<hr/> <hr/>
<b>Analysed as follows:</b>	
Property, plant and equipment	66,687
Plantation development expenditure	10,435
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	77,122
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**Part A – Explanatory Notes Pursuant to FRS 134**

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**A16. Significant Related Party Transactions**

The significant related party transactions during the interim financial period as set out below arise mainly by virtue of common directorship (i.e. certain directors also hold directorship in these companies).

	Cumulative Quarter (12 Months)	
	Current Year - Period To Date 31/12/2007 RM'000	Preceding Year - Period To Date 31/12/2006 RM'000
a. SGOS Assets Holdings Sdn Bhd ("SGOS")		
- Proceeds from sales of FFB in relation to the management of the plantation of SGOS	1,755	-
- Payment of expenses on behalf of SGOS	(1,661)	-
b. ASSAR Assets Management Sdn Bhd		
- Fund management services income/(expenses)	81	-
c. Sarawak Land Development Board ("SLDB")		
- Proceeds from sales of FFB in relation to the management of the plantation of SLDB	866	-
- Payment of expenses on behalf of SLDB	(489)	-

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and they are not materially different from those obtainable in transactions with unrelated parties.

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of Performance**

The Group recorded revenue of RM244.0 million and profit before tax of RM82.8 million for the twelve months ended 31 December 2007 mainly due higher average prices of crude palm oil (“CPO”) and palm kernel (“PK”) realised. The increase was primarily in tandem with substantial improved performance of the prevailing oil palm market during the current interim financial period.

**B2. Material Changes in Profit Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter**

For the quarter under review, the Group recorded profit before tax of RM28.7 million as compared to RM26.4 million in the preceding quarter.

This is mainly due to better average CPO and PK prices realised by 10% and 10% respectively during the interim quarter under review.

**B3. Prospects for Next Financial Year**

The performance of the Group is largely dependent on the demand for oil palm products in world edible oil market and their corresponding prices, the development of bio-diesel market and movements of Ringgit Malaysia and the corresponding effects on CPO prices.

With regards to next financial year’s prospects, barring any unforeseen circumstances, the performance of the Group is expected to remain stable in line with the firmness of prevailing CPO prices.

**B4. Profit Forecast or Profit Guarantee**

The Group’s consolidated profit forecast for the financial year ended 31 December 2007 was provided in its Prospectus dated 7 August 2007 in connection with its listing on the Main Board of Bursa Securities on 28 August 2007.

Actual profit against forecast profit is set out below:

	12 Months ended 31 December 2007		
	Actual (RM’000)	Forecast (RM’000)	% Achieved
Profit after tax and minority interest	68,235	67,211	102

No profit guarantee has been given.

**B5. Taxation**

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
	31/12/2007	31/12/2006	31/12/2007	31/12/2006
	RM’000	RM’000	RM’000	RM’000
Malaysian income tax	(4,653)	-	6,078	-
Deferred tax:				
Deferred tax expenses	5,847	-	8,261	-
Deferred tax assets	(3,015)	-	(3,015)	-
	<u>(1,821)</u>	<u>-</u>	<u>11,324</u>	<u>-</u>

The Group’s effective tax rate is lower than the statutory tax rate due principally to the utilisation of tax allowances available for offset against the taxable profit and the recognition of the deferred tax assets on the tax allowances, resulted from the change in accounting policy of the Group following the adoption of FRS 112 Income Tax in the financial year ended 31 December 2007.



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B6. Unquoted Investments**

There was no material purchase or disposal of unquoted investments for current interim financial period.

**B7. Quoted Investments**

There was no material purchase or disposal of quoted securities for the current interim financial period.

The investments in quoted securities as at 31 December 2007 are as follows:

Quoted in Malaysia

	<b>At 31/12/2007</b>
	<b>RM'000</b>
At cost	2,119
Allowance for diminution in value	(508)
At carrying value	<u>1,611</u>
At market value	<u><u>1,611</u></u>

**B8. Borrowing**

	<b>At 31/12/2007</b>
	<b>RM'000</b>
<u>Current</u>	
Secured revolving credit	<u>50,000</u>

The above borrowing is denominated in Ringgit Malaysia.

The revolving credit of RM50 million and term loan facility of RM75 million of a subsidiary are secured by way of the Company's corporate guarantee and a charge over certain of the subsidiary's properties. The Bank Facility Agreement and the Memorandum of Charge were executed on 16 July 2007.

Effective interest rate of the revolving credit facility is 5.25% per annum.

The term loan has not been drawn as at 31 December 2007.



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B9. Corporate Proposals**

**(A) Status of Corporate Proposals Announced**

The corporate proposals announced but not completed as at 22 February 2008 (*being the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report*), are set out as below:

- (i) On 28 November 2007, a subsidiary of the Group, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD") entered into three conditional Sale and Purchase Agreements ("SPA") with Lembaga Amanah Kebajikan Masjid Negeri Sarawak ("LAKMNS") to purchase four parcels of plantation land of a approximately 7,620 hectares, for a total purchase price of RM19,050,000. The provision of the SPA are conditional upon LAKMNS obtaining the consent of the Director of Lands and Survey for the transfer of the four parcels of plantation land within 6 months from the date of the SPA or such extended period as SPAD and LAKMNS may mutually agree upon in writing.

As at 22 February 2008, the SPA remains conditional.

- (ii) As disclosed in the Prospectus dated 7 August 2007, in the course of the privatisation exercise of Sarawak Land Development Board ("SLDB"), an agreement was entered into between SLDB and Sarawak Plantation Berhad ("SPB") to transfer all its assets to SPB and/or its subsidiaries. One of the properties to be transferred was at that relevant time sub-leased to Bintulu Edible Oils Sdn. Bhd. ("BEO") (Lot 9, Block 20, Kemena Land District) by way of a Memorandum of Sub-lease which was registered on the title of the said property and the said sub-lease contained a term providing an option for BEO to purchase the said property in the event SLDB intends to sell the same.

As at the date of the Prospectus, the legal title of this land has yet to be transferred from SLDB to Sarawak Plantation Property Holding Sdn. Bhd. ("SPPH"), a subsidiary of SPB, because BEO has not given its unconditional consent to the transfer. BEO had built a refinery on this land to facilitate its operations which includes the refining of CPO into bleached and deodorised palm oil and other related products. BEO is the major customer of SPB Group. Based on the legal opinion of the Group's solicitors, SPPH is the beneficial owner of this land and may in its discretion apply to court for specific performance to compel SLDB to transfer the legal title of this land to SPPH at a price to be determined by both parties.

As at 22 February 2008, SPPH and BEO are still in the midst of negotiating the terms and conditions of the sale and upon conclusion of the negotiation, the parties will finalise the Sale and Purchase Agreement for execution.

Status of Corporate Proposal Announced and Completed

The entire issued and paid up share capital of the Company comprising of 280,000,000 ordinary shares of RM1.00 each is listed and quoted on 28 August 2007 on the Main Board of Bursa Securities.

The corporate proposal announced and completed are as follows:

Completed Transactions

- (i) Employee Share Scheme

Cermat Ceria Sdn Bhd ("CCSB"), State Financial Secretary ("SFS") and Sarawak Land Development Board ("SLDB"), collectively known as the Offerors, together with the Company implemented a share scheme for the employees of the Company and its subsidiaries.

The ESS was completed on 18 June 2007.

- (iii) Bonus Issue

Subsequent to the ESS and SFS Divestment, the Company had implemented a Bonus Issue of 115,000,000 new ordinary shares of RM1.00 each had been issued to all the shareholders of the Company then on the basis of about 0.85 bonus share for every one (1) ordinary share held.

The Bonus Issue was completed on 5 July 2007.



**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B9. Corporate Proposals (continued)**

**(A) Status of Corporate Proposals Announced (continued)**

(iv) Initial Public Offering (“IPO”)

- (a) Offer for Sale  
The shareholders had undertaken offer for sale of a total of 39,750,000 ordinary shares of RM1.00 each in the Company at an offer price of RM3.00 per ordinary share.
- (b) Public Issue  
The Public Issue consists of the issuance of 30,000,000 new ordinary shares of RM1.00 each in the Company at an issue price of RM3.00 per ordinary share.

The Offer for Sale and the Public Issue had been carried out concurrently.

The Initial Public Offering (“IPO”) was completed on 28 August 2007.

(v) Listing

The Company was listed on the Main Board of Bursa Securities on 28 August 2007.

**(B) Status of Utilisation of Proceeds**

- (a) Offer for Sale  
The proceeds of RM119,250,000 from the Offer for Sale of 39,750,000 at RM3.00 per share went entirely to the Offerors.
- (b) Public Issue  
As at the end of the current interim period, the status of utilisation of the proceeds as compared to the actual utilisation is as follows:

	<b>Proposed Utilisation (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Intended Time Frame for Utilisation</b>	<b>Deviation (RM'000)</b>	<b>%</b>	<b>Remark</b>
Capital expenditure	30,000	-	24 months from date of Prospectus dated 7 August 2007	-		Balance of (RM'000) 30,000 is available for use
Working capital purposes for the Group's core business	55,500	13,959	24 months from date of Prospectus dated 7 August 2007	469	0.85	Balance of (RM'000) 42,010 is available for use
Share issue expenses	4,500	4,031	-	(469)	10.4	See * below
<b>Total</b>	<b>90,000</b>	<b>17,990</b>		<b>-</b>		<b>Balance: (RM'000) 72,010</b>

\* For any decrease in the share issue expenses, utilisation for working capital purposes of the Group's core business will increase correspondingly.



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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B10. Off Balance Sheet Financial Instruments**

As at 22 February 2008 (*being the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report*), the Group did not enter into any contract involving off balance sheet financial instruments.

**B11. Changes in Material Litigation**

As at 22 February 2008 (*being the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report*), there were no changes to the status of material litigation or arbitration of which the Company and/or any of its subsidiaries were involved either as plaintiff or defendant which has a material effect on the Group's financial position except as disclosed below:

- (i) In the Bintulu High Court Suit No. 22-19-2006 (BTU), Mali bin Seman and 60 others ("Plaintiffs") vs Sarawak Land Development Board ("SLDB") and Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD"), the Plaintiffs are claiming for an area of 20 acres each to be allocated out of Ladang Dua and Ladang Tiga Oil Palm Plantations, in Miri, and also for damages for breach of contract, mesne profits, interest and costs, and such further and or other relief as the Court may think fit. We have been informed by our advocates that the Statement of Defence has been filed. From the Statement of Claim, it appears that the Plaintiffs are alleging that they were employed by SLDB in the 1970s and that they were promised land as part of their employment contract. SPAD is sued as the successor-in-title of SLDB.

SLDB has applied to strike out the claim against it. As at to date, the court has not heard SLDB's application.

The Directors, in consultation with the Company's advocates are of the opinion that SPAD has strong merits in the case.

- (ii) In Sri Aman Sessions Court Criminal Summons No. SC(SG)63-2-2005-II, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD") faced a charge under Section 29A of the Environmental Quality Act, 1974, for allowing open burning on Lot 2, Block 11 Kluah Land District (where our Melugu Oil Palm Plantation is situated). The Court acquitted SPAD of the charge on 25 April 2007 but the Prosecution has filed a Notice of Appeal to the High Court, appealing against the acquittal. The appeal is scheduled to be heard on 12 March 2008.

The Directors, in consultation with the Company's advocates are of the opinion that SPAD has strong merits in the case.

- (iii) In Kuching High Court Suit No. 22-164-06-II, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD") ("Plaintiff" or "Purchaser") instituted legal action against Datuk Haji Zainal Abidin bin Ahmad ("Datuk Zainal" or "Defendant" or "Vendor"). The claim is for the refund of the sum of RM7,200,000 paid under a Sale and Purchase Agreement ("SPA") dated 27 November 1999 for the purchase of 4,148,000 ordinary shares of RM1.00 each in Bahtera Bahagia Sdn Bhd ("Bahtera"). Based on the opinion of SPAD's advocates, the Defendant/Vendor failed to obtain a Waiver of Pre-emption Rights by 31 December 2000 and thereby breached one of the conditions precedent of the SPA. Accordingly, SPAD as the Plaintiff/Purchaser became entitled to the refund of the deposit and part payment made under the SPA.

A writ and statement of claim was filed on 27 December 2006 and a Defence and Counterclaim was filed and served on 28 May 2007. The Plaintiff had on 20 June 2007 filed a Reply and Defence to the Counterclaim to the Defence and Counterclaim. In the Defence and Counterclaim, the Defendant denies owing the sum claimed and alleges that SPAD failed to keep to the schedules for payments and had waived its insistence of the waiver condition by conduct and/or silence. Further, the Defendant contends that SPAD's claim is also time barred. In addition to this, the Defendant has also alleged that SPAD has failed to disclose in its claim "the real commercial bargain", in which the Defendant has also pleaded that SPAD is in breach of the "Empresa", "Sachiew" and "Kumpulan Kris Jati" agreements. Furthermore, the Defendant has alleged further defaults on the part of SPAD in those agreements. The Plaintiff has in its Reply and Defence to the Counterclaim disputed and denied the above allegations of the Defendant.





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**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

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**B11. Changes in Material Litigation (continued)**

The Defendant in his Defence and Counterclaim described a further transaction in which the Defendant claims to have lent Cermat Ceria Sdn. Bhd (“CCSB”) (the substantial shareholder of our Company), a loan of RM2,733,999 which allegedly is in connection with an undated Put and Call option Agreement (“Option Agreement”) (whereby the option period under the Option Agreement commencing on the compliance date (30 June 1999 or such other date as the parties may agree in writing) and expiring on the 4th anniversary of the compliance date) granted by CCSB to the Defendant to purchase our shares. The solicitors for the Defendant via its letter dated 22 March 2006 stated that the option period under the Option Agreement expired on 30 June 2003 without either party exercising the option, and the Option Agreement terminated on 30 June 2003. The Defendant in his Defence and Counterclaim had also stated that the Defendant reserves the right to claim for the loan of RM2,733,999 and the interest thereon.

The solicitors of CCSB are of the opinion that the Defendant has no rights or interest in our Shares under the Option Agreement and that the rights of the Defendant is also to a refund of his advance together with the interest prescribed under the Option Agreement.

The Defendant has in its pleadings expressed an intention to show that SPAD, Sarawak Plantation Berhad (“SPB”) and CCSB are inter-related and is the “real commercial bargain” giving rise to the Counterclaim. The Plaintiff in its Reply and Defence to Counterclaim has disputed and denied the allegations of the Defendant, amongst others the alleged “real commercial bargain.”

The Case Management for this suit is now fixed on 29 February 2008.

The Directors in consultation with the Company’s advocates are of the opinion that SPAD is likely to recover the deposit and part-payment of RM7.2 million and that SPAD has a good defence against the Defendant’s counterclaim.

- (iv) In Sibu High Court Suit No. 22-10-06, Sarawak Plantation Agriculture Development Sdn. Bhd. (“SPAD”) sued TR Ladon anak Edieh and 14 others, and sought injunctive and declaratory relief against the Defendants for various acts of trespass over its land described as Lot 7 Block 12 Bawan Land District. The financial relief claimed by SPAD are special damages of RM2,836,000, general unspecified damages and interest thereon at the rate of 8% per annum. SPAD has obtained an injunction restraining the Defendants from entering or trespassing on its land, threatening or harassing its employees, or disrupting, obstructing or hindering the work of its Group. No defence or counterclaim against SPAD has been filed.

The suit has been consolidated with another suit, Kuching High Court Suit No. 22-23-2006-II (TR Ladon anak Edieh and 10 others vs. Sarawak Land Development Board (“SLDB”) and 2 others). During the last Pre Trial Case Management on 17 January 2008, the Honourable Judge had directed the Plaintiffs in Suit No. 22-23-2006-II to extract the Order for Consolidation within thirty (30) days and thereafter to file Form 63 for Pre-Trial Case Management.

The Directors in consultation with the Company’s advocates are of the opinion that, based on the current pleadings and situation of the matter, SPAD’s chances for success in the action are good.

**B12. Dividend Declared**

The Board of Directors had declared an interim dividend of 6.75 sen per share, less 26% income tax totaling RM14 million, in respect of the financial year ended 31 December 2007, payable to shareholders on 18 April 2008. The dividend entitlement date shall be 24 March 2008.



**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B13. Earnings per Share**

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter 31/12/2007 '000	Preceding Year Corresponding Quarter 31/12/2006 '000	Current Year - Period To Date 31/12/2007 '000	Preceding Year - Period To Date 31/12/2006 '000
Profit attributable to equity holders of the Company (RM)	28,685	-	68,235	-
Weighted average number of ordinary shares in issue (unit)	280,000	-	260,274	-
Basic earnings per share (sen)	10.24	-	26.22	-
Diluted earnings per share (sen)	N/A	-	N/A	-

***Basic earnings per share***

The calculation of basic earnings per share for the interim quarter and financial period is based on the profit attributable to equity holders of the Company and on the weighted average number of ordinary shares of RM1.00 each in issue.

***Diluted earnings per share***

The diluted earnings per share for the interim quarter and financial period were not computed as the Group has neither any potential ordinary share in issue nor convertible financial instruments as at 31 December 2007.

**B14. Authorised for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 28 February 2008.

*By Order of the Board*

Company Secretary  
Kuching

28 February 2008