



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

**INTERIM REPORT
FOR 2ND QUARTER ENDED
30 JUNE 2009**



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

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INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009
(The figures have not been audited)

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Consolidated Balance Sheet
(The figures have not been audited)

	As At End Of Current Financial Period 30/06/2009 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2008 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	225,695	223,352
Prepaid lease payments	9,992	9,026
Plantation development expenditure	221,309	219,980
Other investments	1,542	1,188
Investment property	6,081	6,162
Deferred tax assets	1,193	1,487
Total non-current assets	465,812	461,195
Current assets		
Inventories	22,521	37,099
Trade and other receivables	42,494	34,028
Asset classified as held for sale	434	434
Current tax recoverable	757	1,538
Short term deposits	99,520	65,520
Cash and bank balances	3,392	2,329
Total current assets	169,118	140,948
TOTAL ASSETS	634,930	602,143



Consolidated Balance Sheet
(The figures have not been audited)

	Notes	As At End Of Current Financial period 30/06/2009 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2008 (Audited) RM'000
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	A6	280,000	280,000
Reserves		207,099	202,629
		<u>487,099</u>	<u>482,629</u>
Minority interest		4,380	3,980
Total equity		<u>491,479</u>	<u>486,609</u>
Non-current liabilities			
Deferred tax liabilities		30,075	29,604
Borrowing		16,300	0
Total non-current liabilities		<u>46,375</u>	<u>29,604</u>
Current liabilities			
Trade and other payables		44,116	35,756
Borrowings		52,960	50,000
Current tax payable		0	174
Total current liabilities		<u>97,076</u>	<u>85,930</u>
Total liabilities		<u>143,451</u>	<u>115,534</u>
TOTAL EQUITY AND LIABILITIES		<u>634,930</u>	<u>602,143</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>1.74</u>	<u>1.73</u>

(The Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report)



Consolidated Income Statements
(The figures have not been audited)

	Notes	Individual Quarter (Q2)		Cumulative Quarter (6 Months)	
		Current Year Quarter 30/06/2009 (Unaudited)	Preceding Year Corresponding Quarter 30/06/2008 (Unaudited)	Current Year - Period To Date 30/06/2009 (Unaudited)	Preceding Year - Period To Date 30/06/2008 (Unaudited)
		RM'000	RM'000	RM'000	RM'000
Revenue		95,926	84,958	144,646	137,055
Cost of sales		(66,538)	(47,822)	(108,874)	(75,821)
Gross profit		29,388	37,136	35,772	61,234
Other operating income		214	714	1,174	933
Distribution costs		(5,207)	(4,500)	(7,991)	(6,867)
Other operating expenses		0	(10,093)	0	(13,014)
Administrative expenses		(3,742)	1,285	(6,813)	(3,301)
Replanting expenditure		(1,405)	(1,434)	(1,772)	(2,183)
Results from operating activities		19,248	23,108	20,370	36,802
Interest income		418	714	775	1,691
Interest expenses		(560)	(598)	(1,086)	(1,002)
Profit before taxation		19,106	23,224	20,059	37,491
Tax expense	B5	(3,761)	(6,289)	(4,006)	(7,591)
Profit for the period		15,345	16,935	16,053	29,900
Attributable to:					
Equity holders of the Company		15,030	16,361	15,653	28,770
Minority interest		315	574	400	1,130
		15,345	16,935	16,053	29,900
Basic earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	B13	5.38	5.84	5.60	10.28
Diluted	B13	N/A	N/A	N/A	N/A

(The Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report)

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		Number of shares '000	Nominal value RM'000	Share premium RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
At 1 January 2009	280,000	280,000	280,000	60,969	493	(1,223)	142,390	482,629	3,980	486,609	
Net profit for the financial period	-	-	-	-	-	-	15,653	15,653	400	16,053	
Less: Second interim, single tier exempt dividend declared in respect of the financial year ended 31 December 2008	-	-	-	-	-	-	(11,183)	(11,183)	-	(11,183)	
At 30 June 2009	280,000	280,000	280,000	60,969	493	(1,223)	146,860	487,099	4,380	491,479	

(The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report)

Consolidated Statement Of Changes In Equity
(The figures have not been audited)

Notes	Attributable to equity holders of the Company								
	Number of shares '000	Issued and paid up ordinary shares of RM1.00 each		Share premium RM'000	Equity reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
		Nominal value RM'000							
At 1 January 2008	280,000	280,000	60,969	493	139,070	480,532	2,836	483,368	
Net profit for the financial period	-	-	-	-	28,770	28,770	1,130	29,900	
Less: Dividend paid in respect of the financial year ended 31 December 2007	-	-	-	-	(28,905)	(28,905)	-	(28,905)	
Less: Dividend paid to Minority Shareholder of a subsidiary in respect of the financial year ended 31 December 2007	-	-	-	-	-	-	(666)	(666)	
At 30 June 2008	280,000	280,000	60,969	493	138,935	480,397	3,300	483,697	

(The Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Cash Flow Statements
(The figures have not been audited)

	Cumulative Quarter (6 Months)	
	Current Year - Period To Date 30/06/2009 (Unaudited) RM'000	Preceding Year - Period To Date 30/06/2008 (Unaudited) RM'000
Net cash inflow from operating activities	33,856	20,900
Net cash outflow from investing activities	(6,870)	(23,573)
Net cash inflow/(outflow) from financing activities	8,077	(14,653)
Net increase/(decrease) in cash and cash equivalents	35,063	(17,326)
Cash and cash equivalents at beginning of financial period	66,115	132,289
Cash and cash equivalents at end of financial period	101,178	114,963
Represented by:		
Short term deposits	99,520	114,619
Cash and bank balances	3,392	2,128
	102,912	116,747
Less:		
Bank balance restricted*	(1,134)	(831)
Deposits pledged	(600)	(953)
Cash and cash equivalents	101,178	114,963

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

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report)



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

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 financial statements for the year ended 31 December 2008.

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 financial statements for the financial year ended 31 December 2008.

Statement of compliance

The Group has not applied the following accounting standards (including their consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective:

FRS / Interpretation	Effective date
Amendments to FRS 2, <i>Share-based Payment - Vesting Conditions and Cancellations</i>	1 January 2010
FRS 4, <i>Insurance Contracts</i>	1 January 2010
FRS 7, <i>Financial Instruments: Disclosures</i>	1 January 2010
FRS 8, <i>Operating Segments</i>	1 July 2009
FRS 123, <i>Borrowing Costs</i>	1 January 2010
FRS 139, <i>Financial Instruments: Recognition and Measurement</i>	1 January 2010
IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>	1 January 2010
IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i>	1 January 2010
IC Interpretation 11: FRS 2, <i>Group and Treasury Share Transactions</i>	1 January 2010
IC Interpretation 13, <i>Customer Loyalty Programmes</i>	1 January 2010
IC Interpretation 14: FRS 119, <i>The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	1 January 2010

The Group plans to adopt FRS 7, FRS 8, FRS 123, FRS 139, IC Interpretation 9 and IC Interpretation 10 from the annual period beginning 1 January 2010.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*, is not disclosed by virtue of the exemption given in the respective FRSs.



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

A1. Basis of preparation (continued)

FRS 8, which replaces FRS 114(2004): *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity’s chief operating decision maker in order to allocate resources to the segment and to assess its performance. The initial application of FRS 8 is not expected to have any material impact on the financial statements of the Group, as the Group is principally involved in the cultivation of oil palm and processing of oil palm fresh fruit bunches in Malaysia.

FRS 123 requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of qualifying asset as part of the cost of that asset and removes the option of immediately recognising the borrowing costs as expense. The adoption of FRS 123 is thus not expected to have material impact on the Group.

IC Interpretation 10 prohibits the reversal of an impairment loss recognised in an interim period during the financial year in respect of goodwill, investment in equity instrument or financial asset carried at cost. IC Interpretation 10 applies prospectively from the date the Group first applied the measurement criteria of FRS 136, *Impairment of Assets* and FRS 139 respectively. The adoption of IC Interpretation 10 does not have any impact to the financial statements as no reversal of such impairment loss has been made in current or previous periods.

IC Interpretation 11 clarifies how share-based payment transactions involving its own or another entity’s instruments in the same group are to be treated and that cancellations by parties other than the entity are to be treated in the same way as cancellations by the entity.

FRS 4, IC Interpretation 13 and IC Interpretation 14 are not applicable to the Group. Hence, no further disclosure is warranted.

A2. Disclosure of Audit Report Qualification

There was no qualification in the audit report on the preceding audited 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 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 the 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 in the current interim financial period.

Part A – Explanatory Notes Pursuant to FRS 134

A7. Dividends Paid

	Cumulative Quarter (6 Months)	
	Current Year - Period To Date 30/06/2009 RM'000	Preceding Year - Period To Date 30/06/2008 RM'000
Interim dividend in respect of the financial year ended 31 December 2007 - 6.75 sen per ordinary share of RM 1.00 each less 26% income tax	-	13,986
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2008	11,183	-
	<u>11,183</u>	<u>13,986</u>

A8. Segment Information

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

A9. Valuation of Property, Plant and Equipment

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

A10. Impairment of Assets

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

A11. 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.

A12. Changes in the Composition of the Group

As at 30 June 2009, 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.

A13. Changes in Contingent Liabilities and Contingent Assets

As at 30 June 2009, there were no material contingent liabilities or contingent assets, which upon being enforced might have a material impact on the financial position or business of the Group.

At 30/06/2009
RM'000

As at that date, the Company has contingent liability as follows:

Corporate guarantees granted for banking facilities of subsidiaries	<u>62,000</u>
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A14. Capital Expenditure Commitments

As at 30 June 2009, 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:

Part A – Explanatory Notes Pursuant to FRS 134

A14. Capital Expenditure Commitments (continued)

	At 30/06/2009
	RM'000
Capital Expenditure	
Authorised and contracted for	49,704
Authorised and not contracted for	99,056
	148,760
Analysed as follows:	
Property, plant and equipment	35,468
Prepaid lease payments	70,142
Plantation development expenditure	33,830
Other investments	9,320
	148,760

A15. Significant Related Party Transactions

The significant related party transactions during the financial period as set out below represent significant transactions with companies having common directorship or in which Director have interests; or with corporate shareholder of the Company.

	Cumulative Quarter (6 Months)	
	Current Year - Period To Date 30/06/2009 RM'000	Preceding Year - Period To Date 30/06/2008 RM'000
a. SGOS Assets Holdings Sdn Bhd ("SGOS")		
- Receipts of proceeds from sales of FFB on behalf of SGOS*	524	1,152
- Payment of expenses on behalf of SGOS*	(262)	(566)
- Management fee in relation to the management of the plantation of SGOS	84	(399)
- Interest income charged to SGOS	(5)	(261)
b. Sarawak Land Development Board ("SLDB")		
- Receipts of proceeds from sales of FFB on behalf of SLDB*	278	390
- Payment of expenses on behalf of SLDB*	(176)	(1,150)
- Management fee in relation to the management of the plantation of SLDB	(39)	0
c. Danawa Resources Sdn. Bhd.		
- Acquisition of hardware and software	34	426

* In the course of the management of the plantations of these companies by a subsidiary.

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 RM144.6 million for the six months ended 30 June 2009 compared with RM137.1 million reported in the corresponding period of the preceding year. The increase of RM7.5 million or 5.5% was mainly attributable to higher sales volume of crude palm oil (“CPO”) and palm kernel (“PK”) being partially offsetted by the decrease in the average CPO and PK prices during the current financial period.

The sales volumes of CPO and PK have increased by 71.0% and 39.9% respectively in the current financial period. Conversely, the realised average selling prices of CPO and PK have fallen by 35.3% and 49.3% respectively in the current financial period. The lower achieved average prices of CPO and PK were primarily in tandem with the softer global oils and fats prices and crude oil price.

Despite higher revenue, the Group’s profit before tax for the six months ended 30 June 2009 was lower by RM17.4 million as compared to the corresponding period of the preceding year principally due to higher cost of sales.

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 a profit before tax of RM19.1 million as compared to a profit before tax of RM0.9 million in the preceding quarter. The increase in profit before tax is mainly attributable to the combined effects of higher average CPO and PK prices realised by approximately 33.7% and 42.0% respectively and higher sales volumes by 51.5% and 12.2% respectively.

B3. Prospects for the Current Financial Year

The performance of the Group is largely dependent on the production, operational efficiency and price of CPO. Nevertheless, the Group anticipates a challenging year ahead in the light of the current global financial crisis and economic slowdown and uncertainty in the global oils and fats prices.

Barring any unforeseen circumstances, the Directors are of the opinion that the performance of the Group for the current financial year is expected to remain stable subject to the outlook of the crude oil and global oils and fats market being stable.

B4. Profit Forecast or Profit Guarantee

The disclosure requirement for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest is not applicable as the Group did not issue any profit forecast or profit guarantee for the financial year.

B5. Taxation

	Individual Quarter (Q2)		Cumulative Quarter (6 Months)	
	Current Year Quarter 30/06/2009 RM'000	Preceding Year Corresponding Quarter 30/06/2008 RM'000	Current Year - Period To Date 30/06/2009 RM'000	Preceding Year - Period To Date 30/06/2008 RM'000
Current tax expense	2,995	3,400	3,240	5,784
Deferred tax expense	766	2,889	766	1,807
	<u>3,761</u>	<u>6,289</u>	<u>4,006</u>	<u>7,591</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 for the financial period ended 30 June 2009.

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B6. Unquoted Investments**

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

B7. Quoted Investments

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

The investments in quoted securities as at 30 June 2009 are as follows:

Quoted in Malaysia

	At 30/06/2009
	RM'000
<u>At cost</u>	2,472
Allowance for diminution in value	(930)
At carrying value	1,542
At market value	1,542

B8. Borrowings

	At 30/06/2009
	RM'000
<u>Current</u>	
Unsecured term loan	2,960
Secured revolving credits	50,000
	52,960
<u>Non-current</u>	
Unsecured term loan	16,300
	69,260

Borrowings of the Group comprise:

(a) Revolving credits (secured)

The revolving credits of RM50 million of a subsidiary are secured by way of the Company's corporate guarantee and a first charge over certain prepaid lease payments and buildings of the subsidiary.

The effective interest rate of the revolving credit facility is 3.50% per annum.

The subsidiary also has a term loan facility of RM75 million, secured in the same manner as the revolving credit facility. The term loan has not been drawn down as at 30 June 2009.

(b) Term loan (unsecured)

The term loan of a subsidiary is supported by way of the Company's corporate guarantee. The loan tenure is for a period 7 years from the date of full drawdown in March 2009 and is to be repaid by 27 quarterly installments commencing 1 July 2009.

The effective interest rate of the term loan is 3.12% per annum.

The above borrowings are denominated in Ringgit Malaysia.



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

B9. Corporate Proposals

(A) Status of Corporate Proposals Announced

The corporate proposals announced but not completed as at 20 August 2009, (*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:

- (a) 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 approximately 7,620 hectares, for a total purchase price of RM19,050,000. The completion of the SPA is 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.

The consent of the Director of the Land and Survey was obtained on 22 April 2008 and the SPA has since become unconditional.

As at 20 August 2009, RM16,335,000 has been paid as deposit and part payment for the purchase.

The transaction is expected to be completed during the financial year.

- (b) 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 a 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. SPPH executed a conditional SPA on 25 April 2008 to dispose of the said land to BEO for a cash consideration of RM 8 million.

The Conditions Precedent were fulfilled on 30 July 2009 and the SPA had since become unconditional.

As at 20 August 2009, the Memorandum of Transfer is being prepared for signing by both parties.

The transaction is expected to be completed during the current financial year.



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

B9. Corporate Proposals (continued)
(B) Status of Utilisation of Proceeds

Proceeds from Public Issue

As at the end of the current interim period, the status of utilisation of the proceeds from public Issue as compared to the actual utilisation is as follows:

	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Revised Time Frame for Utilisation	Deviation (RM'000)	%	Remark
Capital expenditure	30,000	3,092	By 31 March 2010 and 31 March 2011	-		Balance of (RM'000) 26,908 is available for use
Working capital purposes for the Group's core business	55,500	55,969	-	469*	0.85	Balance of (RM'000) nil is available for use
Share issue expenses	4,500	4,031	-	(469)*	10.4	Balance of (RM'000) nil is available for use
Total	90,000	63,092		-		Balance: (RM'000) 26,908

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

B10. Off Balance Sheet Financial Instruments

As at 20 August 2009 (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 20 August 2009 (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 in 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:



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

B11. Changes in Material Litigation (continued)

- (a) 61 individuals (“Plaintiffs”) claimed against Sarawak Land Development Board (“SLDB”) and SPAD for an area of 20 acres each to be allocated to them out of Ladang Dua and Ladang Tiga Oil Palm Plantations in Miri and also for damages for breach of contract, mesne profits, interests and costs and such further and/or other relief as the Court may think fit. The Plaintiffs filed a Statement of Claim, 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.

SPAD had filed its Statement of Defence. SLDB had applied to strike out the claim against it.

On 4 May 2009 the Court allowed SLDB’s application to strike out the Plaintiffs’ case against SLDB.

On 10 June 2009, the Court duly struck out the Plaintiffs’ claim against SPAD.

- (b) A subsidiary, SPAD (“Plaintiff” or “Purchaser”) instituted legal action against a third party (“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 July 1999 for the purchase of 4,148,000 ordinary shares of RM1.00 each in Bahtera Bahagia Sdn. Bhd. (“Bahtera”). The SPA was amended and varied by a Deed dated 27 November 1999 and further amended and varied by a Deed of variation dated 16 August 2000. 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 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 an Amended Writ and Statement of Claim redated 27 April 2007 has been served on the Defendant. A Defence and Counterclaim was filed and served on 28 May 2007. The Plaintiff has filed a Reply and Defence to Counterclaim on 20 June 2007.

The Plaintiff had applied for this matter to be heard together with items (e), (f) and (g) below. On 7 July 2009, the High Court had allowed the Plaintiff’s application to hear items (e), (f) and (g) together. This matter is fixed for mention on 7 October 2009.

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

- (c) SPAD sued 15 individuals (“Defendants”) and sought injunctive 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 and unspecified damages and interest thereon at the rate of 8% per annum. SPAD had 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. SLDB and 2 others”). The order for consolidation has been approved, pending extraction by the advocates for TR Ladon anak Edieh and 10 others.

The Honourable Court has fixed the case for trial on 4 November 2009.

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



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

B11. Changes in Material Litigation (continued)

- (d) SPAD (“Plaintiff”) instituted legal action against an insurance company (“Defendant”) to seek recovery of SPAD’s loss and damage arising from the incident herein. On 9 May 2008, a water tank burst at SPAD’s Niah Palm Oil Mill. The impact from the discharging water caused damage to three Crude Palm Oil (“CPO”) tanks resulting in spillage of CPO and other incidental damages. On 4 September 2008, the Defendant declined liability under two policies issued by them, one covering property loss and damage and the other consequential loss.

A Writ and Statement of Claim was filed on 11 March 2009 and a Defence was filed on 24 April 2009 and served on the Plaintiff on 27 April 2009. A reply to Defence was filed and served on 26 May 2009. The Summons for Directions and Notice to attend pre-trial case management was filed on 3 June 2009. The hearing of the pre-trial case management fixed on 14 August 2009, has been rescheduled to 24 August 2009 by the Court.

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

- (e) SPAD (“Plaintiff” or “Purchaser”) instituted legal action against a third party (“Defendant” or “Vendor”). The claim is for the account of the sum of RM2,600,000 paid under a Sale and Purchase Agreement (“SPA”) dated 16 July 1999 for the purchase of 7,500 ordinary shares of RM1.00 each in Sachiew Plantations Sdn. Bhd. (“Sachiew”). The SPA was amended and varied by a Deed dated 27 November 1999 and further amended and varied by a Deed of variation dated 16 August 2000. 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. SPAD then allowed the Vendor to find a buyer for the shares. The Vendor sold the shares but did not account for the sum of RM2,600,000 thus holding the same on trust for SPAD.

A Writ and Statement of Claim was filed on 19 February 2009. An Amended Writ and Statement of Claim redated 23 April 2009 has been served on the Defendant. A Defence and Counterclaim dated 18 June 2009 has been served by the Defendant’s Advocates. The Plaintiff has filed a Reply and Defence to the Counterclaim on 6 August 2009.

The Plaintiff had applied for this matter to be heard together with items (b) above, (f) and (g) below. On 7 July 2009, the High Court had allowed the Plaintiff’s application to hear items (b), (f) and (g) together. An application for directions and Pre-trial case management has since been filed by Plaintiff on 17 August 2009. This matter is fixed for mention on 7 October 2009.

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

- (f) SPAD (“Plaintiff” or “Purchaser”) instituted legal action against a third party (“Defendant” or “Vendor”). The claim is for the refund of the sum of RM15,400,000 paid under a Sale and Purchase Agreement (“SPA”) dated 23 September 1999 for the purchase of 30,000 ordinary shares of RM1.00 each in Kumpulan Kris Jati Sdn. Bhd. (“Kris Jati”). The SPA was amended and varied by a Deed dated 27 November 1999 and further amended and varied by a Deed of variation dated 16 August 2000. Based on the opinion of SPAD’s advocates, the Defendant/Vendor failed to obtain a Waiver of Pre-Emption Rights by 31 January 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 19 February 2009. An Amended Writ and Statement of Claim redated 23 April 2009 has been served on the Defendant. A Defence and Counterclaim dated 18 June 2009 has been served by the Defendant’s Advocates. The Plaintiff has filed a Reply and Defence to the Counterclaim on 6 August 2009.



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

B11. Changes in Material Litigation (continued)

- (f) The Plaintiff had applied for this matter to be heard together with items (b) and (e) above and (g) below. On 7 July 2009, the High Court had allowed the Plaintiff's application to hear items (b), (e) and (g) together.

An application for directions and Pre-trial case management has since been filed by Plaintiff on 17 August 2009. This matter is fixed for mention on 7 October 2009.

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

- (g) SPAD ("Plaintiff" or "Purchaser") instituted legal action against a third party ("Defendant" or "Vendor"). The claim is for the Defendant to account to the Plaintiff the sum of RM7,000,000 paid under a Sale and Purchase Agreement ("SPA") dated 16 July 1999 for the purchase of 4.5 million ordinary shares of RM1.00 each in Empresa (M) Sdn. Bhd. ("Empresa"). The SPA was amended and varied by a Deed of Variation dated 27 November 1999 and further amended and varied by a Deed of Variation dated 16 August 2000. The Plaintiff discovered that Empresa had encroached on third party's land which the Defendant could not resolve and the parties orally agreed that the Defendant will find a buyer and pay back the RM7,000,000 to the Plaintiff. The Defendant found a buyer and sold the shares but did not pay the moneys to the Plaintiff.

A Writ and Statement of Claim was filed on 30 April 2009 and the same has been served on the Defendant. A Defence and Counterclaim dated 18 June 2009 has been served by the Defendant's Advocates. The Plaintiff has filed a Reply and Defence to the Counterclaim on 6 August 2009.

The Plaintiff had applied for this matter to be heard together with items (b), (e) and (f) above. On 7 July 2009, the High Court had allowed the Plaintiff's application to hear items (b), (e) and (f) together. An application for directions and Pre-trial case management has since been filed by Plaintiff on 17 August 2009. This matter is fixed for mention on 7 October 2009.

The Directors, in consultation with the Company's advocates, are of the opinion that SPAD has a reasonable claim.

B12. Dividend Declared

- (a) On 25 February 2009, the Board of Directors declared a second interim, single tier exempt dividend of 4 sen per share, totalling approximately RM11.2 million, in respect of the financial year ended 31 December 2008 which was paid to shareholders on 15 April 2009.
- (b) The Board of Directors had declared first interim, single tier dividend of 3 sen per share, totalling approximately RM8.4 million, in respect of the financial year ending 31 December 2009, payable to shareholders on 8 October 2009. The entitlement date shall be 15 September 2009.

**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 (Q2)		Cumulative Quarter (6 Months)	
	Current Year Quarter 30/06/2009 '000	Preceding Year Corresponding Quarter 30/06/2008 '000	Current Year - Period To Date 30/06/2009 '000	Preceding Year - Period To Date 30/06/2008 '000
Profit attributable to equity holders of the Company (RM)	15,030	16,361	15,653	28,770
Weighted average number of ordinary shares in issue (unit)	279,564	280,000	279,564	280,000
Basic earnings per share (sen)	5.38	5.84	5.60	10.28
Diluted earnings per share (sen)	N/A	N/A	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 excluding the weighted average treasury shares held by Company.

Diluted earnings per share

The diluted earnings per share for the interim quarter and financial period were not computed as the Company does not have any potentially dilutive ordinary shares as at 30 June 2009.

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 26 August 2009.

By Order of the Board

Company Secretary
Kuching
26 August 2009