



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

**INTERIM REPORT
FOR 3RD QUARTER ENDED
30 SEPTEMBER 2009**



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

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30/09/2009 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2008 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	229,576	223,352
Prepaid lease payments	9,944	9,026
Plantation development expenditure	222,210	219,980
Other investments	1,601	1,188
Investment property	6,040	6,162
Deferred tax assets	1,192	1,487
Total non-current assets	470,563	461,195
Current assets		
Inventories	31,032	37,099
Trade and other receivables	45,093	34,028
Asset classified as held for sale	434	434
Current tax recoverable	458	1,538
Short term deposits	86,879	65,520
Cash and bank balances	1,953	2,329
Total current assets	165,849	140,948
TOTAL ASSETS	636,412	602,143



Consolidated Balance Sheet
(The figures have not been audited)

	Notes	As At End Of Current Financial period 30/09/2009 (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		200,393	202,629
		<u>480,393</u>	<u>482,629</u>
Minority interest		3,710	3,980
Total equity		<u>484,103</u>	<u>486,609</u>
Non-current liabilities			
Deferred tax liabilities		30,718	29,604
Borrowing		15,560	0
Total non-current liabilities		<u>46,278</u>	<u>29,604</u>
Current liabilities			
Trade and other payables		43,947	35,756
Borrowings		52,960	50,000
Current tax payable		737	174
Dividend payable		8,387	0
Total current liabilities		<u>106,031</u>	<u>85,930</u>
Total liabilities		<u>152,309</u>	<u>115,534</u>
TOTAL EQUITY AND LIABILITIES		<u>636,412</u>	<u>602,143</u>
Net assets per share attributable to equity holders of the Company (RM)		<u>1.72</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 (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter 30/09/2009 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/09/2008 (Unaudited) RM'000	Current Year - Period To Date 30/09/2009 (Unaudited) RM'000	Preceding Year - Period To Date 30/09/2008 (Unaudited) RM'000
Revenue		70,194	77,177	214,840	214,232
Cost of sales		(57,516)	(46,485)	(166,390)	(122,306)
Gross profit		12,678	30,692	48,450	91,926
Other operating income		229	48	1,403	981
Distribution costs		(3,782)	(3,777)	(11,773)	(10,644)
Other operating expenses		0	(1,529)	0	(14,543)
Administrative expenses		(4,443)	(3,691)	(11,256)	(6,992)
Replanting expenditure		(735)	(1,134)	(2,507)	(3,317)
Results from operating activities		3,947	20,609	24,317	57,411
Interest income		432	1,140	1,207	2,831
Interest expenses		(618)	(599)	(1,704)	(1,601)
Profit before taxation		3,761	21,150	23,820	58,641
Tax expense	B5	(2,083)	(6,636)	(6,089)	(14,227)
Profit for the period		1,678	14,514	17,731	44,414
Attributable to:					
Equity holders of the Company		1,681	13,993	17,334	42,763
Minority interest		(3)	521	397	1,651
		1,678	14,514	17,731	44,414
Basic earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	B13	0.60	5.00	6.20	15.27
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)

**SARAWAK PLANTATION BERHAD**

(Incorporated in Malaysia - 451377- P)

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	Equity reserve	Treasury shares	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	RM'000		
At 1 January 2009		280,000	280,000	60,969	493	(1,223)	142,390	482,629	3,980	486,609
Net profit for the financial period		-	-	-	-	-	17,334	17,334	397	17,731
Less: Second interim, single tier exempt dividend declared in respect of the financial year ended 31 December 2008	B12 (a)	-	-	-	-	-	(11,183)	(11,183)	-	(11,183)
Less: First interim, single tier exempt dividend declared in respect of the financial year ending 31 December 2009	B12 (b)	-	-	-	-	-	(8,387)	(8,387)	-	(8,387)
Less: First interim, single tier exempt dividend paid to Minority Shareholder of a subsidiary in respect of the financial year ending 31 December 2009		-	-	-	-	-	-	-	(667)	(667)
At 30 September 2009		280,000	280,000	60,969	493	(1,223)	140,154	480,393	3,710	484,103

(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)

**SARAWAK PLANTATION BERHAD***(Incorporated in Malaysia - 451377- P)***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 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
	Number of shares '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	-	-	-	-	-	42,763	42,763	1,651	44,414
Less: Interim and final dividend declared in respect of the financial year ended 31 December 2007	-	-	-	-	-	(48,498)	(48,498)	-	(48,498)
Less: Buy back of shares					(866)		(866)	-	(866)
Less: Dividend paid to Minority Shareholder of a subsidiary in respect of the financial year ended 31 December 2007	-	-	-	-	-	-	-	(666)	(666)
At 30 September 2008	280,000	280,000	60,969	493	(866)	133,335	473,931	3,821	477,752

(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 (9 Months)	
	Current Year - Period To Date 30/09/2009 (Unaudited) RM'000	Preceding Year - Period To Date 30/09/2008 (Unaudited) RM'000
Net cash inflow from operating activities	21,963	36,197
Net cash (outflow) from investing activities	(7,388)	(49,776)
Net cash inflow/(outflow) from financing activities	6,671	(50,031)
Net increase/(decrease) in cash and cash equivalents	21,246	(63,610)
Cash and cash equivalents at beginning of financial period	66,115	132,289
Cash and cash equivalents at end of financial period	87,361	68,679
Represented by:		
Short term deposits	86,879	68,258
Cash and bank balances	1,953	2,326
	88,832	70,584
Less:		
Bank balance restricted*	(866)	(840)
Deposits pledged	(605)	(1,065)
Cash and cash equivalents	87,361	68,679

* 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”) which are effective from annual reporting periods beginning on or after 1 January 2010:

FRS / Interpretation

Amendments to FRS 1 and FRS 127, *First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*

FRS 4, *Insurance Contracts*

FRS 7, *Financial Instruments: Disclosures*

FRS 8, *Operating Segments*

FRS 123, *Borrowing Costs*

FRS 139 and Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*

Amendments to FRS 101, *Presentation of Financial Statements*

Amendments to FRS 132, *Financial Instruments: Presentation*

IC Interpretation 9, *Reassessment of Embedded Derivatives*

IC Interpretation 10, *Interim Financial Reporting and Impairment*

IC Interpretation 11, *FRS 2 - Group and Treasury Share Transactions*

IC Interpretation 13, *Customer Loyalty Programmes*

IC Interpretation 14, *FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

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.

FRS 8 which replaces FRS 114, *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. As the Group’s operating segments, namely the cultivation of oil palm and processing of oil palm fresh fruit bunches in Malaysia are the same as the business segments, the adoption of FRS 8 is not expected to have a material impact on the financial statements of the Group.

FRS 101 aims to improve user’s ability to analyse and compare the information given in the financial statements. It requires information in financial statements to be aggregated on the basis of shared characteristic to enable reader to analyse the transactions between the company and shareholders separately from transactions with external parties. FRS 101 also changes the titles of the financial statements to reflect their function more clearly, for example, balance sheet is renamed as Statement of Financial Position, amongst others.



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

A1. Basis of preparation (continued)

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. Currently, borrowing costs incurred direct attributable to the acquisition, construction and production of qualifying assets are capitalised as part of the cost of these assets. Other borrowing costs are recognised as an expense in the period in which they incurred. The adoption of FRS 123 is thus not expected to have a material impact on the financial statements of 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 of the Group.

Amendment to FRS 1 and FRS 127, Amendments to FRS 2, Amendments to FRS 132, FRS 4 and IC Interpretations 9, 11, 13 and 14 are not applicable to the Group. Hence, no further disclosure is warranted.

In addition, MASB has on 19 September 2009 announced that improvements have been made to 21 FRSs. The Group will apply the relevant amendments, which are not expected to have material impact on the Group’s financial statements, as and when they are effective.

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 (9 Months)	
	Current Year - Period To Date 30/09/2009 RM'000	Preceding Year - Period To Date 30/09/2008 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
Final dividend in respect of the financial year ended 31 December 2007 - 7.2 sen per ordinary share of RM 1.00 each less 26% income tax	-	14,918
First Interim dividend in respect of financial year ended 31 December 2008 - 7 sen per ordinary share of RM 1.00 each , tax exempt	-	19,594
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2008	11,183	-
	<u>11,183</u>	<u>48,498</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 September 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.



Part A – Explanatory Notes Pursuant to FRS 134

A13. Changes in Contingent Liabilities and Contingent Assets

As at 30 September 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 30/09/2009
RM'000

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

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

As at 30 September 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:

At 30/09/2009
RM'000

Capital Expenditure

Authorised and contracted for	51,690
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Authorised and not contracted for	88,379
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140,069

Analysed as follows:

Property, plant and equipment	26,777
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Prepaid lease payments	70,142
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Plantation development expenditure	33,830
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Other investments	9,320
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140,069



Part A – Explanatory Notes Pursuant to FRS 134

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 a Director has interests; or with corporate shareholder of the Company.

	Cumulative Quarter (9 Months)	
	Current Year - Period To Date 30/09/2009 RM'000	Preceding Year - Period To Date 30/09/2008 RM'000
a. SGOS Assets Holdings Sdn Bhd ("SGOS")		
- Receipts of proceeds from sales of FFB on behalf of SGOS*	767	1,603
- Payment of expenses on behalf of SGOS*	(392)	(810)
- Management fee in relation to the management of the plantation of SGOS	(104)	(420)
- Interest income charged to SGOS	(8)	(290)
b. Sarawak Land Development Board ("SLDB")		
- Receipts of proceeds from sales of FFB on behalf of SLDB*	471	601
- Payment of expenses on behalf of SLDB*	(451)	(1,288)
- Management fee in relation to the management of the plantation of SLDB	(39)	(39)
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 RM214.8 million for the nine months ended 30 September 2009 compared with RM214.2 million reported in the corresponding period of the preceding year. The slight increase of RM0.6 million or 0.28% was mainly attributable to higher sales volume of crude palm oil (“CPO”) and palm kernel (“PK”) during the current financial period partially offsetted by lower realised average selling prices of CPO and PK. The sales volumes of CPO and PK have increased by 51.6% and 14.9% respectively in the current financial period.

The realised average selling prices of CPO and PK have fallen by 30.7% and 43.7% 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 the higher revenue, the Group’s profit before tax for the nine months ended 30 September 2009 was lower by RM34.8 million as compared to the corresponding period of the preceding year principally due to the decrease in the average CPO and PK prices and 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 RM3.8 million as compared to a profit before tax of RM19.1 million in the preceding quarter. The decrease in profit before tax is mainly attributable to the combined effects of lower average CPO and PK prices realised by approximately 7.8% and 10.5% respectively and lower sales volumes by 23.3% and 12.6% 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.

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 (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/09/2009 RM’000	Preceding Year Corresponding Quarter 30/09/2008 RM’000	Current Year - Period To Date 30/09/2009 RM’000	Preceding Year - Period To Date 30/09/2008 RM’000
Current tax expense	1,440	3,354	4,680	9,138
Deferred tax expense	643	3,282	1,409	5,089
	<u>2,083</u>	<u>6,636</u>	<u>6,089</u>	<u>14,227</u>

The Group’s effective tax rate for the nine months ended 30 September 2009 is marginally higher than the statutory tax rate due principally to the expenses not deductible for tax purposes for the financial period ended 30 September 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 September 2009 are as follows:

Quoted in Malaysia

	At 30/09/2009
	RM'000
At cost	2,475
Allowance for diminution in value	(874)
At carrying value	<u>1,601</u>
At market value	<u><u>1,601</u></u>

B8. Borrowings

	At 30/09/2009
	RM'000
<u>Current</u>	
Unsecured term loan	2,960
Secured revolving credits	50,000
	<u>52,960</u>
<u>Non-current</u>	
Unsecured term loan	15,560
	<u><u>68,520</u></u>

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 3.53% 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 September 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 3.24% 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 11 November 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 11 November 2009, the balance purchase price has been paid and the process to transfer the four parcels of plantation land is ongoing.

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 had yet to be transferred from SLDB to Sarawak Plantation Property Holding Sdn. Bhd. (“SPPH”), a subsidiary of SPB, because BEO had 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 has since become unconditional.

As at 11 November 2009, the transfer of this land is ongoing.

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	9,562	By 31 March 2010 and 31 March 2011	-		Balance of (RM'000) 20,438 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	69,562		-		Balance: (RM'000) 20,438

* 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 11 November 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.



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

As at 11 November 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:

- (a) 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.

This suit has been consolidated with items (d), (e) and (f) below. The next mention date is 7 January 2010 and the trial is fixed on 12 April 2010.

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

- (b) 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 adjourned the case and fixed it for trial on a day to day basis on 28 December 2009 till 31 December 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)

- (c) 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 Summons for Directions was heard on 4 November 2009. The Court then fixed 12 January 2010 to hear the Pre-Trial Case Management.

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

- (d) 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.

This suit has been consolidated with items (a) above, (e) and (f) below. The next mention date is 7 January 2010 and the trial is fixed on 12 April 2010.

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 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)

- (e) This suit has been consolidated with items (a) and (d) above and (f) below. The next mention date is 7 January 2010 and the trial is fixed on 12 April 2010.

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 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 would 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.

This suit has been consolidated with items (a), (d) and (e) above. The next mention date is 7 January 2010 and the trial is fixed on 12 April 2010.

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) On 26 August 2009, the Board of Directors 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, which was paid to shareholders on 8 October 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 (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/09/2009 '000	Preceding Year Corresponding Quarter 30/09/2008 '000	Current Year - Period To Date 30/09/2009 '000	Preceding Year - Period To Date 30/09/2008 '000
Profit attributable to equity holders of the Company (RM)	1,681	13,993	17,334	42,763
Weighted average number of ordinary shares in issue (unit)	279,564	279,877	279,564	279,959
Basic earnings per share (sen)	0.60	5.00	6.20	15.27
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 September 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 17 November 2009.

By Order of the Board

Company Secretary
Kuching
17 November 2009