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

INTERIM REPORT
FOR 4TH QUARTER ENDED
31 DECEMBER 2009

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

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INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2009
(The figures have not been audited)

Consolidated Balance Sheet
(The figures have not been audited)

	Notes	As At End Of Current Financial Year 31/12/2009 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2008 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		236,228	223,352
Prepaid lease payments		35,519	9,026
Plantation development expenditure		224,159	219,980
Other investments		1,619	1,188
Investment property		5,999	6,162
Deferred tax assets		843	1,487
Total non-current assets		504,367	461,195
Current assets			
Inventories		31,307	37,099
Trade and other receivables		33,538	34,028
Asset classified as held for sale		0	434
Current tax recoverable		3,144	1,538
Short term deposits		90,856	65,520
Cash and bank balances		1,719	2,329
Total current assets		160,564	140,948
TOTAL ASSETS		664,931	602,143

Consolidated Balance Sheet
(The figures have not been audited)

	Notes	As At End Of Current Financial Year 31/12/2009 (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		222,441	202,629
		502,441	482,629
Minority interest		4,118	3,980
Total equity		506,559	486,609
Non-current liabilities			
Deferred tax liabilities		34,200	29,604
Borrowing		64,820	0
Total non-current liabilities		99,020	29,604
Current liabilities			
Trade and other payables		56,392	35,756
Borrowings		2,960	50,000
Current tax payable		0	174
Dividend payable		0	0
Total current liabilities		59,352	85,930
Total liabilities		158,372	115,534
TOTAL EQUITY AND LIABILITIES		664,931	602,143
Net assets per share attributable to equity holders of the Company (RM)		1.80	1.72

(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)

		Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Notes	Current Year Quarter 31/12/2009 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2008 (Unaudited) RM'000	Current Year - Period To Date 31/12/2009 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2008 (Audited) RM'000
Revenue		80,684	48,000	295,524	262,232
Cost of sales		(52,296)	(38,848)	(218,686)	(161,154)
Gross profit		28,388	9,152	76,838	101,078
Other operating income		11,103	10,134	12,506	11,115
Distribution costs		(4,383)	(2,917)	(16,156)	(13,561)
Other operating expenses		0	314	0	(14,229)
Administrative expenses		(6,053)	(6,394)	(17,309)	(13,386)
Replanting expenditure		(938)	(1,130)	(3,445)	(4,447)
Results from operating activities		28,117	9,159	52,434	66,570
Interest income		386	501	1,593	3,332
Interest expenses		(656)	(618)	(2,360)	(2,219)
Profit before taxation		27,847	9,042	51,667	67,683
Tax (expense) / income	B5	(5,391)	172	(11,480)	(14,055)
Profit for the period		22,456	9,214	40,187	53,628
Attributable to:					
Equity holders of the Company		22,048	9,055	39,382	51,818
Minority interest		408	159	805	1,810
		22,456	9,214	40,187	53,628
Basic earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic	B13	7.89	3.24	14.09	18.52
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	Nominal value	Share premium	Equity reserve	Treasury shares	Retained earnings	Total	Minority interest	Total equity
		'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
Profit for the year		-	-	-	-	-	39,382	39,382	805	40,187
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 ended 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 ended 31 December 2009		-	-	-	-	-	-	-	(667)	(667)
At 31 December 2009		280,000	280,000	60,969	493	(1,223)	162,202	502,441	4,118	506,559

(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 been audited)

		Attributable to equity holders of the Company								
		Issued and paid up ordinary shares of RM1.00 each								
	Notes	Number of shares	Nominal value	Share premium	Equity reserve	Treasury shares	Retained earnings	Total	Minority interest	Total equity
		'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2008		280,000	280,000	60,969	493	-	139,070	480,532	2,836	483,368
Profit for the year		-	-	-	-	-	51,818	51,818	1,810	53,628
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						(1,223)		(1,223)	-	(1,223)
Less: Dividend paid to Minority Shareholder of a subsidiary in respect of the financial year ended 31 December 2007		-	-	-	-	-	-	-	(666)	(666)
At 31 December 2008		280,000	280,000	60,969	493	(1,223)	142,390	482,629	3,980	486,609

(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 (12 Months)	
	Current Year - Period To Date	Preceding Year - Period To Date
	31/12/2009	31/12/2008
	(Unaudited)	(Audited)
	RM'000	RM'000
Net cash inflow from operating activities	53,179	15,215
Net cash (outflow) from investing activities	(25,665)	(31,002)
Net cash (outflow) from financing activities	(2,456)	(50,387)
Net increase/(decrease) in cash and cash equivalents	25,058	(66,174)
Cash and cash equivalents at beginning of financial year	66,115	132,289
Cash and cash equivalents at end of financial year	91,173	66,115
Represented by:		
Short term deposits	90,856	65,520
Cash and bank balances	1,719	2,329
	92,575	67,849
Less:		
Bank balance restricted*	(529)	(1,134)
Deposits pledged	(873)	(600)
Cash and cash equivalents	91,173	66,115

* 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.

<u>Statement of compliance</u>

The Group has not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are only effective for annual periods beginning on or after the respective dates indicated herein:

Standard / Amendment / Interpretation	Effective date
FRS 8, *Operating Segments*	1 July 2009
Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards* and FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a subsidiary, Jointly Controlled Entity or Associate*	1 January 2010
Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*	1 January 2010
FRS 4, *Insurance Contracts*	1 January 2010
FRS 7, *Financial Instruments: Disclosures*	1 January 2010
Amendments to FRS 101, *Presentation of Financial Statements*	1 January 2010
FRS 123, *Borrowing Costs* (revised)	1 January 2010
FRS 139, F*inancial Instruments: Recognition and Measurement*	1 January 2010
Amendments to FRS 139, *Financial Instruments: Recognition and Measurement* FRS 7, *Financial Instruments: Disclosures and* IC Interpretation 9, *Reassessment of Embedded Derivatives*	1 January 2010
Amendments to FRS 139, F*inancial Instruments: Recognition and Measurement*	1 January 2010
Improvements to FRSs (2009)	1 January 2010
IC Interpretation 9, *Reassessment of Embedded Derivatives*	1 January 2010
IC Interpretation 10, *Interim Financial Reporting and Impairment*	1 January 2010
IC Interpretation 11, FRS 2 - *Group and Treasury Share Transactions*	1 January 2010
IC Interpretation 13, *Customer Loyalty Programmes*	1 January 2010
IC Interpretation 14, FRS 119 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2010
FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)	1 July 2010
FRS 3, *Business Combinations* (revised)	1 July 2010
FRS 127, *Consolidated and Separate Financial Statements* (revised)	1 July 2010
Amendments to FRS 2, *Share-based Payment*	1 July 2010
Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*	1 July 2010
Amendments to FRS 138, *Intangible Assets*	1 July 2010
Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*	1 July 2010

A1. Basis of preparation (continued)

Standard / Amendment / Interpretation	Effective date
IC Interpretation 12, *Service Concession Arrangements*	1 July 2010
IC Interpretation 15, *Agreements for the Construction of Real Estate*	1 July 2010
IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*	1 July 2010
IC Interpretation 17, *Distributions of Non-cash Assets to Owners*	1 July 2010

The Group plans to apply:

- from the annual period beginning on 1 January 2010 those standards, amendments and interpretations as listed above that are effective for annual periods beginning on or before 1 January 2010, except for Amendments to FRS 2, FRS 4, and Interpretations (ICI) 9, ICI 11, ICI 13 and ICI 14 which are not applicable to the Group; and

- from the annual beginning on 1 January 2011 those standards, amendments and interpretations as listed above that are effective for annual periods beginning on or after 1 July 2010, except for FRS 1 (revised), Amendments to FRS 2, Amendments to FRS 5, Amendments to FRS 138, Amendments to ICI 9, ICI 12, ICI 15, ICI 16 and ICI 17 which are not applicable to the Group.

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 of the Group 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 initial 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.

FRS 123 (revised) 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. As the Group's current capitalisation policy for borrowing costs is consistent with FRS 123 (revised), the adoption thereof is not expected to have a material impact on the Group.

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

A1. Basis of preparation (continued)

FRS 3 (revised), which is to be applied prospectively, incorporates the following changes to the existing FRS 3:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations.
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debts issue costs, will be expensed as incurred.
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (will be known as non-controlling) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between group and its minority (will be known as non-controlling) interest holders.

The amendments to FRS 127 further require all losses attributable to minority interest to be absorbed by the minority interest i.e., the excess and any further losses exceeding the minority interest in the equity of a subsidiary are no longer charged against the Group's interest.

The above changes in FRS 127 are not expected to have material impacts to the Group.

The amendments to FRS 138, to be applied retrospectively, clarify, inter alia, that other amortisation methods, apart from the straight line method, maybe used for intangible assets with infinite useful lives. The adoption of any of the amendments to FRS 138 will result in change in accounting policy.

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. The amendments are not expected to have a material impact to the Group.

Financial Reporting Standards will be fully converged with International Financial Reporting Standards by 1 January 2012. The financial impact and effect on disclosures and measurement consequent on such convergence are dependent on the issuance of such new or revised standards, amendments and interpretations by MASB as are necessary to effectuate the full convergence.

A2. Disclosure of Audit Report Qualification

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

A3. Seasonality or Cyclicality 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 financial year, except for the reversal of impairment loss of RM0.4 million on property, plant and equipment (see Note A10) recognised in the current interim quarter.

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.

A7. Dividends Paid

	Cumulative Quarter (12 Months)	
	Current Year - Period To Date 31/12/2009	**Preceding Year - Period To Date 31/12/2008**
	RM'000	**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 - 4 sen per ordinary share	11,183	-
First interim, single-tier exempt dividend in respect of the financial year ended 31 December 2009 - 3 sen per ordinary share	8,387	-
	19,570	48,498

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 were 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, except for a reversal of an impairment loss on property, plant and equipment totaling RM0.4 million.

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 31 December 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 31 December 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 31/12/2009
	RM'000
As at that date, the Company has contingent liability as follows:	
Corporate guarantees granted for banking facilities of subsidiaries	62,000

A14. Capital Expenditure Commitments
As at 31 December 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 31/12/2009
	RM'000
Capital Expenditure	
Authorised and contracted for	50,132
Authorised and not contracted for	75,826
	125,958
Analysed as follows:	
Property, plant and equipment	16,741
Prepaid lease payments	70,143
Plantation development expenditure	29,754
Other investments	9,320
	125,958

A15. Significant Related Party Transactions

The significant related party transactions during the financial year 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 (12 Months)	
		Current Year - Period To Date	**Preceding Year - Period To Date**
		31/12/2009	**31/12/2008**
		RM'000	**RM'000**
a.	SGOS Assets Holdings Sdn Bhd ("SGOS")		
	- Receipts of proceeds from sales of FFB on behalf of SGOS*	977	1,884
	- Payment of expenses on behalf of SGOS*	(592)	(1,340)
	- Management fee in relation to the management of the plantation of SGOS	(69)	(472)
	- Interest expenses / (income) charged to SGOS	1	(304)
b.	Sarawak Land Development Board ("SLDB")		
	- Receipts of proceeds from sales of FFB on behalf of SLDB*	632	789
	- Payment of expenses on behalf of SLDB*	(672)	(1,381)
	- 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	203

* 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 effected on terms 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 RM295.5 million for the year ended 31 December 2009 compared with RM262.2 million reported in the preceding year. The increase of RM33.3 million or 12.7% was mainly attributable to higher sales volume of crude palm oil ("CPO") and palm kernel ("PK") during the current financial year partially offsetted by lower realised average selling prices of CPO and PK as compared to the preceeding year. The sales volumes of CPO and PK have increased by 45.2% and 5.7% respectively in the current financial year.

The realised average selling prices of CPO and PK have fallen by 18.3% and 29.6% respectively in the current financial year. 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 year ended 31 December 2009 was lower by RM16.0 million as compared to 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 RM27.8 million as compared to a profit before tax of RM3.8 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 1.6% and 6.2% respectively and higher sales volumes by 15.3% and 13.9% respectively.

The increase in profit before tax is also included a gain on disposal of land (see Note B9(A)(b)) of approximately RM7.5 million, recognised in the current interim quarter under review.

B3. Prospects for the Next 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 next financial year is expected to remain stable subject to a stable market for crude oil and global oils and fats.

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 (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
	31/12/2009	31/12/2008	31/12/2009	31/12/2008
	RM'000	RM'000	RM'000	RM'000
Current tax expense / (income)	1,560	(2,527)	6,240	6,611
Deferred tax expense	3,831	2,355	5,240	7,444
	5,391	(172)	11,480	14,055

The Group's effective tax rate for the financial year is lower than the statutory tax rate due principally to the utilisation of tax allowances available for offset against the taxable profit for the said year.

B6. Unquoted Investments

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

B7. Quoted Investments

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

The investments in quoted securities as at 31 December 2009 are as follows:

Quoted in Malaysia

	At 31/12/2009
	RM'000
At cost	2,480
Allowance for diminution in value	(861)
At carrying value	1,619
At market value	1,619

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

B8. Borrowings

		At 31/12/2009 RM'000
Current		
Term loan	- unsecured	2,960
Non-current		
Term loans	- secured	50,000
	- unsecured	14,820
		64,820
		67,780

Borrowings of the Group comprise:

(a) Secured facilities

(i) Revolving credits

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 3.60% per annum.

The Revolving Credits have been settled in the current financial period and remains as an unutilised facility at year end.

(ii) Term loan

The subsidiary also has a term loan facility of RM75 million, out of which RM50 million and RM25 million have been drawn on 25 November 2009 and 13 January 2010, respectively.

This term loan is secured by way of the Company's corporate guarantee and a first charge over certain prepaid lease payments and buildings of a subsidiary. The loan tenure is for a period of 5 years and to be repaid in 13 quarterly installments. The first quarterly installment shall commence on 25 November 2011, 24 months from the date of first draw down (25 November 2009).

The effective interest rate of this term loan is 4.00% per annum.

(b) Unsecured facility

The term loan of another 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 3.45% per annum.

The above borrowings are denominated in Ringgit Malaysia.

B9. Corporate Proposals

(A) Status of Corporate Proposals Announced

The corporate proposals announced but not completed as at 18 February 2010, *(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 31 December 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 next 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.

On 30 December 2009, the land was effectively transferred to BEO vide a Memorandum of Transfer registered at the Bintulu Land Registry Office. The purchase price of RM8 million has been received for this disposal. The gain on disposal of approximately RM7.5 million has been recognised in the current interim quarter under review.

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	13,137	By 31 March 2010 and 31 March 2011	-		Balance of (RM'000) 16,863 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	73,137		-		Balance: (RM'000) 16,863

* 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 18 February 2010 *(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 18 February 2010 *(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 next date set for continuation of trial in 29 March 2010.

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

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 fixed the matter for mention on 10 March 2010 to fix a trial date. Meanwhile, pre-trial discovery process is still underway.

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.

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 a first interim, single tier dividend of 3 sen per share, totalling approximately RM8.4 million, in respect of the financial year ended 31 December 2009, which was paid to shareholders on 8 October 2009.

(c) The Board of Directors had declared a second interim, single tier dividend of 5.5 sen per share, totalling approximately RM15.4 million, in respect of the financial year ended 31 December 2009, payable to shareholders on 8 April 2010. The dividend entitlement date shall be on 15 March 2010.

B13. Earnings per Share

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter	**Preceding Year Corresponding Quarter**	**Current Year - Period To Date**	**Preceding Year - Period To Date**
	31/12/2009	**31/12/2008**	**31/12/2009**	**31/12/2008**
	'000	**'000**	**'000**	**'000**
Profit attributable to equity holders of the Company (RM)	22,048	9,055	39,382	51,818
Weighted average number of ordinary shares in issue (unit)	279,564	279,564	279,564	279,860
Basic earnings per share (sen)	7.89	3.24	14.09	18.52
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 year 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 year were not computed as the Company does not have any potentially dilutive ordinary shares as at 31 December 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 24 February 2010.

By Order of the Board

Company Secretary
Kuching
24 February 2010