



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

**INTERIM REPORT
FOR 1ST QUARTER ENDED
31 MARCH 2011**



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

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011
(The figures have not been audited)

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Condensed Consolidated Statement of Financial Position
(The figures have not been audited)

	As At End Of Current Financial Period 31/03/2011 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2010 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	280,985	281,793
Plantation development expenditure	226,813	223,880
Investment property	5,786	5,829
Total non-current assets	513,584	511,502
Current assets		
Other investments	1,866	1,815
Inventories	32,184	19,275
Trade and other receivables	28,319	33,974
Prepayment and other assets	5,010	4,606
Current income tax recoverable	120	130
Short term deposits	139,336	119,736
Cash and bank balances	678	681
Total current assets	207,513	180,217
TOTAL ASSETS	721,097	691,719



Condensed Consolidated Statement of Financial Position (continued)
(The figures have not been audited)

		As At End Of Current Financial Period 31/03/2011 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2010 (Audited) RM'000
EQUITY AND LIABILITIES			
Equity attributable to Owners of the Company			
Share capital	A5	280,000	280,000
Share premium	A5	60,969	60,969
Reserves		175,802	168,976
		<u>516,771</u>	<u>509,945</u>
Non-controlling interests holders		3,902	4,118
Total equity		<u>520,673</u>	<u>514,063</u>
Non-current liabilities			
Deferred tax liabilities		40,983	40,466
Borrowings		76,120	81,860
Total non-current liabilities		<u>117,103</u>	<u>122,326</u>
Current liabilities			
Trade and other payables		56,462	44,857
Borrowings		12,960	7,960
Current tax payable		4,114	2,513
Dividend payable		9,785	-
Total current liabilities		<u>83,321</u>	<u>55,330</u>
Total liabilities		<u>200,424</u>	<u>177,656</u>
TOTAL EQUITY AND LIABILITIES		<u>721,097</u>	<u>691,719</u>
Net assets per share attributable to Owners of the Company (RM)		<u>1.85</u>	<u>1.82</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Comprehensive Income
(The figures have not been audited)

	Notes	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
		Current Year Quarter 31/03/2011 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/03/2010 (Unaudited) RM'000	Current Year - Period To Date 31/03/2011 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2010 (Unaudited) RM'000
Revenue		90,143	75,450	90,143	75,450
Cost of sales		(58,129)	(51,146)	(58,129)	(51,146)
Gross profit		32,014	24,304	32,014	24,304
Other operating income		425	330	425	330
Distribution costs		(4,541)	(3,868)	(4,541)	(3,868)
Other operating expenses		(667)	0	(667)	0
Administrative expenses		(4,535)	(3,625)	(4,535)	(3,625)
Replanting expenditure		(1,336)	(1,160)	(1,336)	(1,160)
Results from operating activities		21,360	15,981	21,360	15,981
Finance income		894	599	894	599
Finance costs		(860)	(816)	(860)	(816)
Net finance income/(cost)		34	(217)	34	(217)
Profit before tax		21,394	15,764	21,394	15,764
Income tax expense	B5	(4,999)	(3,956)	(4,999)	(3,956)
Profit for the period		16,395	11,808	16,395	11,808
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income for the period		16,395	11,808	16,395	11,808



Condensed Consolidated Statement of Comprehensive Income (continued)
(The figures have not been audited)

	Notes	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
		31/03/2011	31/03/2010	31/03/2011	31/03/2010
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		16,611	11,776	16,611	11,776
Non-controlling interests Holders		(216)	32	(216)	32
Profit for the period		<u>16,395</u>	<u>11,808</u>	<u>16,395</u>	<u>11,808</u>
Total comprehensive income attributable to:					
Owners of the Company		16,611	11,776	16,611	11,776
Non-controlling interests Holders		(216)	32	(216)	32
Total comprehensive income for the period		<u>16,395</u>	<u>11,808</u>	<u>16,395</u>	<u>11,808</u>
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B14	<u>5.94</u>	<u>4.21</u>	<u>5.94</u>	<u>4.21</u>
Diluted	B14	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Changes in Equity
(The figures have not been audited)

	Attributable to Owners of the Company										
	Notes	Non-distributable					Distributable			Non-controlling interests holders	Total equity
		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	RM'000		
At 1 January 2011		280,000	280,000	60,969	493	(1,223)	169,706	509,945	4,118	514,063	
Total comprehensive income for the period		-	-	-	-	-	16,611	16,611	(216)	16,395	
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2010	B13	-	-	-	-	-	(9,785)	(9,785)	-	(9,785)	
At 31 March 2011		280,000	280,000	60,969	493	(1,223)	176,532	516,771	3,902	520,673	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Changes in Equity
(The figures have not been audited)

Notes	Attributable to Owners of the Company								
	Non-distributable						Distributable		
	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	Non-controlling interests holders RM'000	Total equity RM'000
At 1 January 2010, as previously stated	280,000	280,000	60,969	493	(1,223)	162,176	502,415	4,117	506,532
- effect of adopting FRS 139	-	-	-	-	-	(266)	(266)	(1)	(267)
At 1 January 2010, as restated	280,000	280,000	60,969	493	(1,223)	161,910	502,149	4,116	506,265
Total comprehensive income for the period	-	-	-	-	-	11,776	11,776	32	11,808
Less: Second interim, single tier exempt dividend paid in respect of the financial year ended 31 December 2009	-	-	-	-	-	(15,376)	(15,376)	-	(15,376)
At 31 March 2010	280,000	280,000	60,969	493	(1,223)	158,310	498,549	4,148	502,697

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)



Condensed Consolidated Statement of Cash Flows
(The figures have not been audited)

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/03/2011 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2010 (Unaudited) RM'000
Net cash inflow from operating activities	24,567	19,541
Net cash outflow from investing activities	(4,230)	(7,625)
Net cash inflow/(outflow) from financing activities	(740)	24,260
Net increase in cash and cash equivalents	19,597	36,176
Cash and cash equivalents as at 1 January	119,701	91,173
Cash and cash equivalents as at 31 March	139,298	127,349
Represented by:		
Short term deposits	139,336	127,426
Cash and bank balances	678	1,325
	140,014	128,751
Less:		
Bank balance restricted*	0	(529)
Fixed Deposits pledged*	(716)	(873)
Cash and cash equivalents	139,298	127,349

* Amounts pledged to licensed bank to secure bank guarantee facilities.

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)



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

A1. Basis of preparation

1. Statement of compliance

The condensed consolidated 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 condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010.

2. Significant accounting policies

2.1 Adoption of new/revised Standards, Amendments and Interpretations

The accounting policies and methods of computation used in the preparation of the consolidated interim financial statements of the Group are consistent with those used in the preparation of the last audited financial statements of the Group for the financial year ended 31 December 2010 except for the adoption of the following new/revised standards, amendments and interpretations:

Standard / Amendment / Interpretation	Effective date
FRS 3, <i>Business Combinations</i> (revised)	1 July 2010
FRS 127, <i>Consolidated and Separate Financial Statements</i> (revised)	1 July 2010
Amendments to FRS 2, <i>Group Cash-settled Share-Based Payment Transactions</i>	1 January 2011
Amendments to FRS 7, <i>Financial instruments : Disclosures - Improving Disclosures About Financial Instruments</i>	1 January 2011
Improvements to FRSs (2010)	1 January 2011
IC Interpretation 4, <i>Determining whether an Arrangement Contains a Lease</i>	1 January 2011



Part A – Explanatory Notes Pursuant to FRS 134

A1. Basis of preparation (continued)

2. Significant accounting policies (continued)

2.1 Adoption of new/revised Standards, Amendments and Interpretations (continued)

(i) FRS 3, *Business Combinations* (revised)

FRS 3 (revised), which is 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 is measured at fair value, with subsequent changes therein recognised in profit or loss.
- Transaction costs, other than share and debts issue costs, are expensed as incurred.
- Any pre-existing interest in the acquiree is measured at fair value with the gain or loss recognised in profit or loss.
- Any minority (known as non-controlling) interest is 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 adoption of FRS 3 does not presently have an impact to the financial statements of the Group.

(ii) FRS 127, *Consolidated and Separate Financial Statements* (revised)

The amendments to FRS 127 require changes in group composition to be accounted for as equity transactions between the Group and its minority (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 amendments to FRS 127 does not have material impact to the Group.

(iii) Amendments to FRS 2, *Group Cash-settled Share-Based Payment Transactions*

FRS 2 prescribes the accounting treatment for share-based payment transactions, e.g. share-options granted to employees.

The amendments clarify that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. In other words, regardless of how group transactions are structured at the subsidiary level, FRS 2 is applicable for group consolidated financial statements unless the transaction is clearly for a purpose outside the scope of FRS 2.

The amendments also incorporate guidance previously included in IC Interpretation 8 *Scope of FRS 2* and IC Interpretation 11 *FRS 2 – Group and Treasury Share Transactions*. As a result, both these Interpretations have been withdrawn on application of Amendments to FRS 2.

The amendments to FRS 2 does not have material impact to the Group.



Part A – Explanatory Notes Pursuant to FRS 134

A1. Basis of preparation (continued)

2. Significant accounting policies (continued)

2.1 Adoption of new/revised Standards, Amendments and Interpretations (continued)

(iv) Improvements to FRSs (2010)

Improvements to FRSs (2010) contain amendments to ten FRSs and one Interpretation, to provide clarification or guidance thereon or to correct for relatively minor unintended consequences, conflicts or oversights.

(v) IC Interpretation 4, *Determining whether an Arrangement contains a Lease*

IC Interpretation 4, which is applied retrospectively, provides guidance for determining whether certain arrangements are, or contain, leases that are required to be accounted for in accordance with FRS 117, *Leases*. Where an arrangement is within the scope of FRS 117, the Group applies FRS 117 in determining whether the arrangement is a finance or operating lease.

The adoption of ICI 4 does not have a material impact to the Group.

2.2 Standards, Amendments and Interpretations Effective for Annual Periods Beginning after 1 January 2011

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 for the Group.

Standard / Amendment / Interpretation	Effective date
IC Interpretation 19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
Amendments to IC Interpretation 14, <i>Prepayments of a Minimum Funding Requirement</i>	1 July 2011
FRS 124, <i>Related Party Disclosures</i>	1 January 2012
IC Interpretation 15, <i>Agreements for the Construction of Real Estate</i>	1 January 2012

The Group plans to apply from the annual period beginning on 1 January 2012 those standards, amendments and interpretations as listed above that are effective for annual periods beginning after 1 January 2011, other than IC Interpretation (ICI) 15 and Amendments to ICI 14 which are not applicable to the Group.



Part A – Explanatory Notes Pursuant to FRS 134

A1. Basis of preparation (continued)

2. Significant accounting policies (continued)

2.2 Standards, Amendments and Interpretations Effective for Annual Periods Beginning after 1 January 2011 (continued)

IC Interpretation 19 provides guidance on accounting for debt for equity swaps. Equity instruments issued to a creditor to extinguish all or a part of a financial liability would be “consideration paid” in accordance with paragraph 41 of FRS 139. The equity instruments would be measured initially at the fair value of those equity instruments unless that fair value cannot be reliably measured, in which case the equity instruments should be measured to reflect the fair value of the financial liability extinguished. Any difference between the carrying amount of the financial liability and the initial measurement of the equity instruments would be recognised as a gain or loss in profit or loss.

The adoption of IC Interpretation 19 will result in a change in accounting policy which will be applied retrospectively in accordance with FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*.

The revised FRS 124 simplifies the definition of related party, clarifies its intended meaning and eliminates inconsistencies from the definition. The changes from current practice among others include a partial exemption from disclosures for government-related entities. It requires disclosure of related party transactions between government-related entities only if the transactions are individually or collectively significant.

Prior to the issuance of the revised FRS 124, no disclosure is required in financial statements of state-controlled entities of transactions with other state-controlled entities. The partial exemption from disclosures for government-related activities as permitted by the revised FRS 124 are intended to put users on notice that such related party transactions have occurred and to give an indication of their extent.

FRSs will be fully converged with International Financial Reporting Standards by 1 January 2012. The financial impact and effect on disclosure 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.



Part A – Explanatory Notes Pursuant to FRS 134

A2. 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. The performance is also affected by the prices of CPO and PK which are determined by global supply and demand situation for edible oils and fats.

A3. 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 period.

A4. Material Changes in Estimates

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

A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity in the current interim financial period.

A6. Dividends Paid

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

A7. 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.

A8. Impairment of Assets

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

A9. 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.

A10. Changes in the Composition of the Group

As at 31 March 2011, 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.

A11. Changes in Contingent Liabilities and Contingent Assets

As at 31 March 2011, 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 31/03/2011

RM'000

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

Corporate guarantees granted for banking facilities of subsidiaries

137,000



Part A – Explanatory Notes Pursuant to FRS 134

A12. Capital Expenditure Commitments

As at 31 March 2011, 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 31/03/2011
	RM'000
Capital Expenditure	
Authorised and contracted for	11,140
Authorised and not contracted for	145,175
	<u>156,315</u>
Analysed as follows:	
Property, plant and equipment	99,293
Plantation development expenditure	57,022
	<u>156,315</u>

A13. 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 a corporate shareholder of the Company.

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/03/2011 RM'000	Preceding Year - Period To Date 31/03/2010 RM'000
a. Sarawak Land Development Board ("SLDB")		
- Receipts of proceeds from sales of FFB on behalf of SLDB*	412	131
- Payment of expenses on behalf of SLDB*	(191)	(74)
- Management fee in relation to the management of the plantation of SLDB	0	(31)
b. Danawa Resources Sdn. Bhd.		
- Acquisition of hardware and software	2	0
	<u>2</u>	<u>0</u>

* In the course of the management of the plantation of SLDB 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 RM90.1 million for the three months ended 31 March 2011 compared with RM75.5 million reported in the corresponding period of the preceding year. The increase of RM14.6 million or 19.3% was mainly attributable to the net effect of higher realised average selling prices of crude palm oil (“CPO”) and palm kernel (“PK”), despite lower sales volume of CPO and PK as compared to the corresponding period of the preceding year.

The realised average selling prices of CPO and PK have increased by 47.5% and 112.2% respectively in the current financial period primarily due to improvement in global vegetable oil prices. The sales volume of CPO has decreased by 24.7% and that of PK decreased by 16.1% in the current financial period.

The Group’s profit before tax for the current financial period was higher by RM5.6 million as compared to the corresponding period of the preceding year principally due to higher realised average selling prices of CPO and PK.

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

For the quarter under review, the Group recorded a profit before tax of RM21.4 million as compared to a profit before tax of RM10.4 million in the preceding quarter.

The higher profit before tax is principally attributable to higher realised average selling prices of CPO and PK by approximately 17.6% and 32.8%, partially offsetted by lower CPO and PK sales volume by 37.1% and 17.6% respectively. The Group recognised impairment losses of RM10.1 million on plantation development expenditure and property, plant and equipment in the preceding quarter (RM Nil for the current quarter).

B3. Prospects for the Current Financial Year

The performance of the Group is largely dependent on the production, operational efficiency and price of CPO.

The Directors are of the opinion that the Group will continue to perform well for the current financial year 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 income tax expense and Non-controlling interest Holders and forecast profit after income tax expense and Non-controlling interest Holders is not applicable as the Group did not issue any profit forecast or profit guarantee for the financial year.



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

B5. Income Tax Expenses

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/03/2011 RM'000	Preceding Year Corresponding Quarter 31/03/2010 RM'000	Current Year - Period To Date 31/03/2011 RM'000	Preceding Year - Period To Date 31/03/2010 RM'000
Current income tax expense	4,482	182	4,482	182
Deferred tax expense	517	3,774	517	3,774
	<u>4,999</u>	<u>3,956</u>	<u>4,999</u>	<u>3,956</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 taxable profit for the financial period ended 31 March 2011.

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 31 March 2011 are as follows:

Quoted in Malaysia

	At 31/03/2011 RM'000
<u>Current</u>	
Financial assets at fair value through profit or loss	<u>1,866</u>
<u>Represented by:</u>	
At fair value	<u>1,866</u>



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

B8. Loans and Borrowings

	At 31/03/2011
	RM'000
<u>Current</u>	
Term loan - secured	10,000
- unsecured	2,960
	<hr/> 12,960
<u>Non-current</u>	
Term loans - secured	65,000
- unsecured	11,120
	<hr/> 76,120
	<hr/>
Total loans and borrowings	<hr/> 89,080 <hr/>

Loans and Borrowings of the Group comprise:

(a) Secured facility

Term loan

This term loan is secured by way of the Company's corporate guarantee and a first charge over certain land 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 4.30% per annum.

(b) Unsecured facility

This term loan 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 repayable by 27 quarterly installments commencing 1 July 2009.

The effective interest rate of the term loan is 3.88% 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

There was no corporate proposal being announced during the current interim period.

(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	26,845	By 31 December 2011	-		Balance of (RM'000) 3,155 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	86,845		-		Balance: (RM'000) 3,155

* 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 May 2011 (*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. Gains/Losses from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities during the current financial period.



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

B12. Changes in Material Litigation

As at 20 May 2011 (*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, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD"), as Plaintiff/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 Deeds of Variation dated 27 November 1999 and 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. It is now fixed for trial on 11 July 2011 to 15 July 2011.

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"), seeking injunctive and declaratory relief against the Defendants for various acts of trespass over its land described as Lot 7 Block 12 Bawan Land District. The financial relief claimed by SPAD are special damages of RM2,836,000, general 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 its work. 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 the Defendants.

The suit is now fixed for Pre-Trial Case Management on 24 May 2011.

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

B12. 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 suit is now fixed for mediation hearing on 7 July 2011.

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 Deeds of Variation dated 27 November 1999 and 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, and is thus deemed to be 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. It is now fixed for trial on 11 July 2011 to 15 July 2011.

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 Deeds of Variation dated 27 November 1999 and 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

B12. Changes in Material Litigation (continued)

- (e) This suit has been consolidated with items (a) and (d) above and (f) below. It is now fixed for trial on 11 July 2011 to 15 July 2011.

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 Deeds of Variation dated 27 November 1999 and 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. It is now fixed for trial on 11 July 2011 to 15 July 2011.

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



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

B13. Dividend Declared

On 28 February 2011, the Board of Directors had declared a second interim, single tier dividend of 3.5 sen per share, totalling approximately RM9.8 million, in respect of the financial year ended 31 December 2010, which was paid to shareholders on 8 April 2011.

B14. Earnings per Share

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/03/2011 RM'000	Preceding Year Corresponding Quarter 31/03/2010 RM'000	Current Year - Period To Date 31/03/2011 RM'000	Preceding Year - Period To Date 31/03/2010 RM'000
Profit attributable to Owners of the Company (RM)	16,611	11,776	16,611	11,776
Weighted average number of ordinary shares in issue (unit)	279,564	279,564	279,564	279,564
Basic earnings per share (sen)	5.94	4.21	5.94	4.21
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 Owners of the Company and on the weighted average number of ordinary shares of RM1.00 each in issue less 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 31 March 2011.



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

B15. Retained Earnings

The retained earnings of the Group as at 31 March 2011 contain unrealised profits, as disclosed below:

	Current Year - Period To Date 31/03/2011 RM'000	Current Year - Period To Date 31/12/2010 RM'000
Total retained profits of the Group and its subsidiaries		
Realised	226,242	218,913
Unrealised	(41,068)	(40,406)
	<hr/> 185,174	<hr/> 178,507
Less: Consolidation adjustments	(8,642)	(8,801)
	<hr/> 176,532	<hr/> 169,706
Total Group retained profits as per consolidated accounts	<hr/> <hr/> 176,532	<hr/> <hr/> 169,706

B16. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2010 was unqualified.

B17. Authorised for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 26 May 2011.

By Order of the Board

Company Secretary
Kuching
26 May 2011