



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

INTERIM REPORT FOR 3RD QUARTER ENDED 30 SEPTEMBER 2011

**SARAWAK PLANTATION BERHAD**

(Incorporated in Malaysia - 451377-P)

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30/09/2011 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2010 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		282,779	281,793
Plantation development expenditure		233,008	223,880
Investment property		5,699	5,829
Total non-current assets		521,486	511,502
Current assets			
Other investments	B7	1,609	1,815
Inventories		27,386	19,275
Trade and other receivables		36,879	33,974
Prepayments and other assets		6,823	4,606
Assets classified as held for sale		949	0
Current income tax recoverable		136	130
Short term deposits		180,098	119,736
Cash and bank balances		814	681
Total current assets		254,694	180,217
TOTAL ASSETS		776,180	691,719



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

		As At End Of Current Financial Period 30/09/2011 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2010 (Audited) RM'000
	Notes		
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		204,155	168,976
		<u>545,124</u>	<u>509,945</u>
Non-controlling interests holders		3,501	4,118
Total equity		<u>548,625</u>	<u>514,063</u>
Non-current liabilities			
Deferred tax liabilities		45,562	40,466
Borrowings	B8	64,640	81,860
Total non-current liabilities		<u>110,202</u>	<u>122,326</u>
Current liabilities			
Trade and other payables		66,056	44,857
Borrowings	B8	22,960	7,960
Proposed dividend		17,613	0
Current tax payable		10,724	2,513
Total current liabilities		<u>117,353</u>	<u>55,330</u>
Total liabilities		<u>227,555</u>	<u>177,656</u>
TOTAL EQUITY AND LIABILITIES		<u>776,180</u>	<u>691,719</u>
Net assets per share attributable to Owners of the Company (RM)		<u>1.95</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)

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/09/2011 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/09/2010 (Unaudited) RM'000	Current Year - Period To Date 30/09/2011 (Unaudited) RM'000	Preceding Year - Period To Date 30/09/2010 (Unaudited) RM'000
Revenue	147,354	81,652	367,746	225,223
Cost of sales	(101,428)	(58,171)	(246,474)	(155,783)
Gross profit	45,926	23,481	121,272	69,440
Other operating income	214	525	945	2,623
Distribution costs	(7,213)	(4,348)	(17,946)	(11,870)
Other operating expenses	(110)	0	(1,193)	0
Administrative expenses	(5,329)	(3,980)	(16,091)	(12,667)
Replanting expenditure	(1,865)	(2,343)	(3,881)	(5,072)
Results from operating activities	31,623	13,335	83,106	42,454
Finance income	1,250	824	3,114	2,139
Finance costs	(1,092)	(1,000)	(2,987)	(2,769)
Net finance income/(cost)	158	(176)	127	(630)
Profit before tax	31,781	13,159	83,233	41,824
Income tax expense	B5 (8,613)	(3,227)	(21,273)	(10,868)
Profit for the period	23,168	9,932	61,960	30,956
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income for the period	23,168	9,932	61,960	30,956



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

	Notes	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter 30/09/2011 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/09/2010 (Unaudited) RM'000	Current Year - Period To Date 30/09/2011 (Unaudited) RM'000	Preceding Year - Period To Date 30/09/2010 (Unaudited) RM'000
Profit attributable to:					
Owners of the Company		23,384	9,932	62,577	30,953
Non-controlling interests Holders		(216)	0	(617)	3
Profit for the period		<u>23,168</u>	<u>9,932</u>	<u>61,960</u>	<u>30,956</u>
Total comprehensive income attributable to:					
Owners of the Company		23,384	9,932	62,577	30,953
Non-controlling interests Holders		(216)	0	(617)	3
Total comprehensive income for the period		<u>23,168</u>	<u>9,932</u>	<u>61,960</u>	<u>30,956</u>
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B14	<u>8.36</u>	<u>3.55</u>	<u>22.38</u>	<u>11.07</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)

	Notes	Attributable to Owners of the Company							Non-controlling interests holders RM'000	Total equity RM'000
		Non-distributable			Distributable					
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Issued and paid up ordinary shares of RM1.00 each					
					Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total 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		-	-	-	-	-	62,577	62,577	(617)	61,960
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2010	B13(a)	-	-	-	-	-	(9,785)	(9,785)	-	(9,785)
Less: First interim, single tier exempt dividend in respect of the financial year ending 31 December 2011	B13(b)	-	-	-	-	-	(17,613)	(17,613)	-	(17,613)
At 30 September 2011		280,000	280,000	60,969	493	(1,223)	204,885	545,124	3,501	548,625

(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)

	Attributable to Owners of the Company								Non-controlling interests holders RM'000	Total equity RM'000
	Notes	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		
		Issued and paid up ordinary shares of RM1.00 each								
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		-	-	-	-	-	30,953	30,953	3	30,956
Less: Second interim, single tier exempt dividend paid in respect of the financial year ended 31 December 2009		-	-	-	-	-	(15,376)	(15,376)	-	(15,376)
Less: First interim single tier exempt dividend declared in respect of the financial year ending 31 December 2010		-	-	-	-	-	(11,183)	(11,183)	-	(11,183)
At 30 September 2010		280,000	280,000	60,969	493	(1,223)	166,304	506,543	4,119	510,662

(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 (9 Months)	
	Current Year - Period To Date 30/09/2011 (Unaudited) RM'000	Preceding Year - Period To Date 30/09/2010 (Unaudited) RM'000
Net cash inflow from operating activities	93,333	48,322
Net cash outflow from investing activities	(20,833)	(19,041)
Net cash (outflow)/inflow from financing activities	(12,005)	7,404
Net increase in cash and cash equivalents	60,495	36,685
Cash and cash equivalents as at 1 January	119,701	91,173
Cash and cash equivalents as at 30 September	180,196	127,858
Represented by:		
Short term deposits	180,098	126,211
Cash and bank balances	814	3,049
	180,912	129,260
Less:		
Bank balance restricted*	0	(529)
Fixed Deposits pledged*	(716)	(873)
Cash and cash equivalents	180,196	127,858

* 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 Malaysian Financial Reporting Standards

The Malaysian Accounting Standards Board (“MASB”), in furtherance of its objective of converging the accounting framework for entities other than private entities in Malaysia with International Financial Reporting Standards (“IFRS”), announced on 19 November 2011 the issuance of Malaysian Financial Reporting Standards (“MFRS”). Entities other than private entities shall apply the MFRS framework for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreement for the Construction of Real Estate.

An entity subject to the application of MFRS 141 and/or IC Interpretation 15 may continue to apply Financial Reporting Standard (“FRS”) as its financial reporting framework for annual reporting periods beginning on or after 1 January 2012. The entity shall comply with the MFRS framework for annual periods beginning on or after 1 January 2013.

An entity that consolidates or equity accounts or proportionately consolidates another entity that has chosen to apply FRSs as its financial reporting framework may itself choose to apply FRSs as its financial reporting framework for annual periods beginning on or after 1 January 2012. The entity shall comply with MFRS framework for annual periods beginning on or after 1 January 2013.

The Company is assessing the impact of MFRSs, in particular MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, on the financial statements of the Group and of its components. The Company will adopt MFRSs to prepare consolidated financial statements from the financial year ending 31 December 2013.

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.



Part A – Explanatory Notes Pursuant to FRS 134

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

	Cumulative Quarter (9 Months)	
	Current Year - Period To Date 30/09/2011 RM'000	Preceding Year - Period To Date 30/09/2010 RM'000
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2009		
- 5.5 sen per ordinary share	-	15,376
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2010		
- 3.5 sen per ordinary share	9,785	-
	9,785	15,376

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 30 September 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 30 September 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 30/09/2011 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 30 September 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 30/09/2011
	RM'000
Capital Expenditure	
Authorised and contracted for	79,766
Authorised and not contracted for	68,067
	<u>147,833</u>
Analysed as follows:	
Property, plant and equipment	91,605
Plantation development expenditure	56,228
	<u>147,833</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 (9 Months)	
	Current Year - Period To Date 30/09/2011 RM'000	Preceding Year - Period To Date 30/09/2010 RM'000
a. Sarawak Land Development Board ("SLDB")		
- Receipts of proceeds from sales of FFB on behalf of SLDB*	1,444	495
- Payment of expenses on behalf of SLDB*	(677)	(470)
- Management fee in relation to the management of the plantation of SLDB	0	(31)
b. Danawa Resources Sdn. Bhd.		
- Acquisition of hardware and software	5	17
	<u>5</u>	<u>17</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 RM367.7 million for the nine months ended 30 September 2011 compared with RM225.2 million reported in the corresponding period of the preceding year. The increase of RM142.5 million or 63.3% was mainly attributable to the net effect of higher realised average selling prices of crude palm oil (“CPO”) and palm kernel (“PK”), higher sale 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 29.1% and 57.6% respectively in the current financial period primarily due to improvement in global vegetable oil prices. The sales volumes of CPO and PK have also increased by 22.7% and 10.2% in the current financial period.

The Group’s profit before tax for the current financial period was higher by RM41.4 million as compared to the corresponding period of the preceding year principally due to higher realised average selling prices and sales volumes 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 RM31.8 million as compared to a profit before tax of RM30.1 million in the preceding quarter.

The higher profit before tax is principally attributable to higher CPO and PK sales volume by approximately 21.6% and 58.7%, offsetted by lower realised average selling prices of CPO and PK by 5.6% and 20.1% 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.

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 (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year - Period To Date 30/09/2011 RM'000	Preceding Year - Period To Date 30/09/2010 RM'000
Current income tax expense	3,322	2,229	16,177	5,854
Deferred tax expense	5,291	998	5,096	5,014
	<u>8,613</u>	<u>3,227</u>	<u>21,273</u>	<u>10,868</u>

The Group's effective tax rate for the financial period ended 30 September 2011 is higher than the statutory tax rate due incurrence of certain expenses that are not deductible for tax.

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 2011 are as follows:

Quoted in Malaysia

	At 30/09/2011 RM'000
<u>Current</u>	
Financial assets at fair value through profit or loss	<u>1,609</u>
<u>Represented by:</u>	
At fair value	<u>1,609</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 30/09/2011
	RM'000
<u>Current</u>	
Term loan - secured	20,000
- unsecured	2,960
	<hr/> 22,960
<u>Non-current</u>	
Term loans - secured	55,000
- unsecured	9,640
	<hr/> 64,640
	<hr/>
Total loans and borrowings	<hr/> 87,600 <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 4.80% 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 4.65% 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	27,956	By 31 December 2011	-		Balance of (RM'000) 2,044 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	87,956		-		Balance: (RM'000) 2,044

* 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 21 November 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 21 November 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.

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

On 3 November 2011, SPAD entered into a consent order with the Defendant to facilitate attempts at an amicable settlement of the claims and counterclaims between the parties. By consent, SPAD's claim and the Defendant's counterclaim were withdrawn and struck out with no order as to costs and any cost awarded to-date be waived. However, if there is no settlement reached between parties by 31 March 2012, any party can re-file its claim or counterclaim thereafter. Further, no party is allowed to use the withdrawal to improve its claim or counterclaim or to defeat the claim or counterclaim of the other party. Any party who wants to re-file its claim must do so by 30 June 2012 failing which its claim is deemed to be extinguished and it cannot sue on the subject matter thereafter.

- (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 hearing of the summons in chamber is fixed on 2 December 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 8 December 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.

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

On 3 November 2011, SPAD entered into a consent order with the Defendant to facilitate attempts at an amicable settlement of the claims and counterclaims between the parties. By consent, SPAD’s claim and the Defendant’s counterclaim were withdrawn and struck out with no order as to costs and any cost awarded to-date be waived. However, if there is no settlement reached between parties by 31 March 2012, any party can re-file its claim or counterclaim thereafter. Further, no party is allowed to use the withdrawal to improve its claim or counterclaim or to defeat the claim or counterclaim of the other party. Any party who wants to re-file its claim must do so by 30 June 2012 failing which its claim is deemed to be extinguished and it cannot sue on the subject matter thereafter.



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) 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.

This suit has been consolidated with items (a) and (d) above and (f) below.

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

On 3 November 2011, SPAD entered into a consent order with the Defendant to facilitate attempts at an amicable settlement of the claims and counterclaims between the parties. By consent, SPAD’s claim and the Defendant’s counterclaim were withdrawn and struck out with no order as to costs and any cost awarded to-date be waived. However, if there is no settlement reached between parties by 31 March 2012, any party can re-file its claim or counterclaim thereafter. Further, no party is allowed to use the withdrawal to improve its claim or counterclaim or to defeat the claim or counterclaim of the other party. Any party who wants to re-file its claim must do so by 30 June 2012 failing which its claim is deemed to be extinguished and it cannot sue on the subject matter thereafter.

- (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.

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

On 3 November 2011, SPAD entered into a consent order with the Defendant to facilitate attempts at an amicable settlement of the claims and counterclaims between the parties. By consent, SPAD’s claim and the Defendant’s counterclaim were withdrawn and struck out with no order as to costs and any cost awarded to-date be waived. However, if there is no settlement reached between parties by 31 March 2012, any party can re-file its claim or counterclaim thereafter. Further, no party is allowed to use the withdrawal to improve its claim or counterclaim or to defeat the claim or counterclaim of the other party. Any party who wants to re-file its claim must do so by 30 June 2012 failing which its claim is deemed to be extinguished and it cannot sue on the subject matter thereafter.



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

B13. Dividend Declared

- (a) 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.
- (b) On 25 August 2011, the Board of Directors had declared a first interim, single tier dividend of 6.3 sen per share, totalling approximately RM17.6 million, in respect of the financial year ending 31 December 2011, which was paid to shareholders on 5 October 2011.

B14. Earnings per Share

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/09/2011 RM'000	Preceding Year Corresponding Quarter 30/09/2010 RM'000	Current Year - Period To Date 30/09/2011 RM'000	Preceding Year - Period To Date 30/09/2010 RM'000
Profit attributable to Owners of the Company (RM)	23,384	9,932	62,577	30,953
Weighted average number of ordinary shares in issue (unit)	279,564	279,564	279,564	279,564
Basic earnings per share (sen)	8.36	3.55	22.38	11.07
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 30 September 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 30 September 2011 contain unrealised profits, as disclosed below:

	Current Year - Period To Date 30/09/2011 RM'000	Current Year - Period To Date 31/12/2010 RM'000
Total retained profits of the Group and its subsidiaries		
Realised	258,435	218,913
Unrealised	(45,364)	(40,406)
	<u>213,071</u>	<u>178,507</u>
Less: Consolidation adjustments	(8,186)	(8,801)
Total Group retained profits as per consolidated accounts	<u>204,885</u>	<u>169,706</u>

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 25 November 2011.

By Order of the Board

Company Secretary
Kuching
25 November 2011