



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

INTERIM REPORT FOR 4TH QUARTER ENDED 31 DECEMBER 2011



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

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

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

	Notes	As At End Of Current Financial Year 31/12/2011 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2010 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		295,278	281,793
Plantation development expenditure		236,379	223,880
Investment property		5,656	5,829
Total non-current assets		537,313	511,502
Current assets			
Other investments	B7	1,685	1,815
Inventories		29,228	19,275
Trade and other receivables		30,000	33,974
Prepayments and other assets		6,490	4,606
Assets classified as held for sale		949	0
Current income tax recoverable		133	130
Short term deposits		152,445	119,736
Cash and bank balances		6,332	681
Total current assets		227,262	180,217
TOTAL ASSETS		764,575	691,719



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

		As At End Of Current Financial Year 31/12/2011 (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		223,823	168,976
		<u>564,792</u>	<u>509,945</u>
Non-controlling interests holders		(188)	4,118
Total equity		<u>564,604</u>	<u>514,063</u>
Non-current liabilities			
Deferred tax liabilities		47,022	40,466
Borrowings	B8	58,900	81,860
Total non-current liabilities		<u>105,922</u>	<u>122,326</u>
Current liabilities			
Trade and other payables		66,004	44,857
Borrowings	B8	22,960	7,960
Current tax payable		5,085	2,513
Total current liabilities		<u>94,049</u>	<u>55,330</u>
Total liabilities		<u>199,971</u>	<u>177,656</u>
TOTAL EQUITY AND LIABILITIES		<u>764,575</u>	<u>691,719</u>
Net assets per share attributable to Owners of the Company (RM)		<u>2.02</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 (Q4)		Cumulative Quarter (12 Months)	
		Current Year Quarter 31/12/2011 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2010 (Unaudited) RM'000	Current Year - Period To Date 31/12/2011 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2010 (Audited) RM'000
Revenue		111,618	115,608	479,364	340,831
Cost of sales		(76,085)	(78,464)	(322,559)	(234,247)
Gross profit		35,533	37,144	156,805	106,584
Other operating income		2,751	142	3,696	2,765
Distribution costs		(6,701)	(5,699)	(24,647)	(17,569)
Other operating expenses		(50)	(518)	(1,243)	(518)
Administrative expenses		(8,833)	(18,602)	(24,924)	(31,269)
Replanting expenditure		(965)	(1,866)	(4,846)	(6,938)
Results from operating activities		21,735	10,601	104,841	53,055
Finance income		1,084	806	4,198	2,945
Finance costs		(1,166)	(971)	(4,153)	(3,740)
Net finance (cost) / income		(82)	(165)	45	(795)
Profit before tax	A14	21,653	10,436	104,886	52,260
Income tax expense	B5	(5,674)	(7,035)	(26,947)	(17,903)
Profit for the period		15,979	3,401	77,939	34,357
Other comprehensive income, net of tax		0	0	0	0
Total comprehensive income for the period		15,979	3,401	77,939	34,357

**SARAWAK PLANTATION BERHAD**

(Incorporated in Malaysia - 451377-P)

Condensed Consolidated Statement of Comprehensive Income (continued)

(The figures have not been audited)

	Notes	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
		Current Year Quarter 31/12/2011 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2010 (Unaudited) RM'000	Current Year - Period To Date 31/12/2011 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2010 (Audited) RM'000
Profit attributable to:					
Owners of the Company		19,668	3,402	82,245	34,355
Non-controlling interests holders		(3,689)	(1)	(4,306)	2
Profit for the period		<u>15,979</u>	<u>3,401</u>	<u>77,939</u>	<u>34,357</u>
Total comprehensive income attributable to:					
Owners of the Company		19,668	3,402	82,245	34,355
Non-controlling interests holders		(3,689)	(1)	(4,306)	2
Total comprehensive income for the period		<u>15,979</u>	<u>3,401</u>	<u>77,939</u>	<u>34,357</u>
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B13	<u>7.04</u>	<u>1.22</u>	<u>29.42</u>	<u>12.29</u>
Diluted	B13	<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	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 2011		280,000	280,000	60,969	493	(1,223)	169,706	509,945	4,118	514,063
Total comprehensive income for the period		-	-	-	-	-	82,245	82,245	(4,306)	77,939
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2010	B12(a)	-	-	-	-	-	(9,785)	(9,785)	-	(9,785)
Less: First interim, single tier exempt dividend in respect of the financial year ended 31 December 2011	B12(b)	-	-	-	-	-	(17,613)	(17,613)	-	(17,613)
At 31 December 2011		280,000	280,000	60,969	493	(1,223)	224,553	564,792	(188)	564,604

(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		-	-	-	-	-	34,355	34,355	2	34,357
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 31 December 2010		280,000	280,000	60,969	493	(1,223)	169,706	509,945	4,118	514,063

(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 (12 Months)	
	Current Year - Period To Date 31/12/2011 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2010 (Audited) RM'000
Cash flows from operating activities		
Profit before tax	104,886	52,260
<i>Adjustments for:</i>		
Amortisation of investment property	173	171
Depreciation of property, plant and equipment	18,864	18,225
Dividend income from other investments	(19)	(12)
Gain on disposal of other investments	(12)	(73)
Impairment loss on:		
- plantation development expenditure	0	7,664
- property, plant and equipment	0	2,432
- prepayments and other assets	0	506
- trade and other receivables	170	66
Finance income	(4,198)	(2,945)
Finance cost	4,153	3,740
Inventories written off	228	459
Loss on financial asset	146	0
Reversal of impairment loss on:		
- plantation development expenditure	(767)	0
- property, plant and equipment	(1,453)	0
Property, plant and equipment written off	251	881
Plantation development expenditure written off	203	11
Operating profit before changes in working capital	122,625	83,385
Change in inventories	(10,181)	10,623
Change in trade and other receivables, prepayments and other financial assets	(124)	(4,964)
Change in trade and other payables	8,763	(19,399)
Cash generated from operations	121,083	69,645
Income tax refunded	89	4,559
Income tax paid	(17,910)	(10,171)
Interest paid	(4,153)	(3,740)
Interest received	4,076	2,321
Net cash from operating activities	103,185	62,614



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

	Cumulative Quarter (12 Months)	
	Current Year - Period To Date 31/12/2011 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2010 (Audited) RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(19,096)	(23,331)
Decrease in bank balances and fixed deposits pledged to banks	0	685
Plantation development expenditure (net of depreciation of property, plant and equipment capitalised)	(10,372)	(6,922)
Net cash used in investing activities	(29,468)	(29,568)
Cash flows from financing activities		
Proceeds from borrowings	0	25,000
Repayment of borrowings	(7,960)	(2,960)
Dividends paid to owners of the Company	(27,397)	(26,558)
Net cash used in financing activities	(35,357)	(4,518)
Net increase in cash and cash equivalents	38,360	28,528
Cash and cash equivalents as at 1 January	119,701	91,173
Cash and cash equivalents as at 31 December	158,061	119,701
Represented by:		
Short term deposits	152,445	119,736
Cash and bank balances	6,332	681
	158,777	120,417
Less:		
Fixed Deposits pledged*	(716)	(716)
Cash and cash equivalents	158,061	119,701

* 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

(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.



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)

(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 a 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 a material impact to the Group.

(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.



Part A – Explanatory Notes Pursuant to FRS 134

A1. Basis of preparation (continued)

2. Significant accounting policies (continued)

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. As some of the subsidiaries of the Company are subject to the application of MFRS 141, the Company will adopt MFRSs to prepare consolidated financial statements only from the financial year ending 31 December 2013.



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, except for a reversal of impairment loss of RM2.2 million (see note A8).

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 (12 Months)	
	Current Year	Preceding Year
	- Period To Date	- Period To Date
	31/12/2011	31/12/2010
	RM'000	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
First interim, single tier exempt dividend in respect of the financial year ended 31 December 2010		
- 4 sen per ordinary share	-	11,183
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2010		
- 3.5 sen per ordinary share	9,785	-
First interim, single tier exempt dividend in respect of the financial year ended 31 December 2011		
- 6.3 sen per ordinary share	17,613	-
	27,398	26,559
	27,398	26,559

A7. Segment Information

The segment information for business segments predominantly conducted in Malaysia for the current financial year to date were as follows:

Part A – Explanatory Notes Pursuant to FRS 134

A7. Segment Information (continued)

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Current Year - Period To Date 31/12/2011 RM'000	Preceding Year - Period To Date 31/12/2010 RM'000
Segment revenue				
Oil palm operations	111,261	115,357	478,500	341,196
Investment holding	14,000	0	62,000	27,000
Management services and rental	962	849	3,349	3,423
Total revenue including inter-segment revenue	126,223	116,206	543,849	371,619
Elimination	(14,605)	(598)	(64,485)	(30,788)
Total external revenue	111,618	115,608	479,364	340,831
Segment gross profit				
Oil palm operations	35,655	37,310	157,731	107,307
Investment holding	14,000	0	62,000	27,000
Management services and rental	385	341	1,104	1,237
Total gross profit including inter-segment gross profit	50,040	37,651	220,835	135,544
Elimination	(14,507)	(507)	(64,030)	(28,960)
Total gross profit	35,533	37,144	156,805	106,584

Segment asset and liabilities

	As At End Of Current Financial Year 31/12/2011
Segment assets:	
Oil palm operations	638,156
Investment holding	395,589
Management services and rental	39,164
Total	1,072,909
Elimination	(308,334)
Total assets	764,575



Part A – Explanatory Notes Pursuant to FRS 134

A7. Segment Information (continued)

Segment asset and liabilities (continued)

	As At End Of Current Financial Year 31/12/2011
Segment liabilities:	
Oil palm operations	200,913
Investment holding	1,555
Management services and rental	7,521
Total	209,989
Elimination	(10,018)
Total liabilities	199,971

A8. Impairment of Assets

There was neither impairment loss nor reversal of such impairment loss recognised during the current interim financial period, except for the reversal of impairment loss of RM2.2 million comprising plantation development expenditure of RM0.7 million and property, plant and equipment of RM1.5 million (see Note A3).

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 December 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 December 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 31/12/2011 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 December 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 31/12/2011
	RM'000
Capital Expenditure	
Authorised and contracted for	69,690
Authorised and not contracted for	186,437
	<u>256,127</u>
Analysed as follows:	
Property, plant and equipment	162,814
Plantation development expenditure	93,313
	<u>256,127</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 (12 Months)	
	Current Year - Period To Date 31/12/2011	Preceding Year - Period To Date 31/12/2010
	RM'000	RM'000
a. Sarawak Land Development Board ("SLDB")		
- Receipts of proceeds from sales of FFB on behalf of SLDB*	1,982	771
- Payment of expenses on behalf of SLDB*	(981)	(781)
- Management fee in relation to the management of the plantation of SLDB	0	(29)
b. Danawa Resources Sdn. Bhd.		
- Acquisition of hardware and software	7	19
c. Intuitive Systems Sdn. Bhd.		
- Acquisition of Estate Management System	525	0
	<u>525</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 A – Explanatory Notes Pursuant to FRS 134

A14. Comprehensive Income Disclosures

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Current Year - Period To Date 31/12/2011 RM'000	Preceding Year - Period To Date 31/12/2010 RM'000
Results from operating activities is arrived at after charging:				
Amortisation of investment property	44	43	173	171
Depreciation of property, plant and equipment	4,647	4,661	18,865	18,225
Impairment loss and write off of inventory	140	459	228	459
Impairment loss on trade and other receivables	90	9	170	66
Write off property, plant and equipment	25	558	251	881
Write off plantation development expenditure	0	11	203	11
Loss on financial asset	146	0	146	0
Impairment loss on property, plant and equipment	0	2,432	0	2,432
Impairment loss on plantation development expenditure	0	7,664	0	7,664
Impairment loss on prepayments and other assets	0	506	0	506
Finance cost	1,166	971	4,153	3,740
Results from operating activities is arrived at after crediting:				
Dividend income from other investment	5	3	19	12
Gain on disposal of other investment	1	41	12	73
Other operating income	506	98	1,426	2,681
Reversal of impairment loss on:				
plantation development expenditure	767	0	767	0
property, plant and equipment	1,453	0	1,453	0
Finance income	1,084	806	4,198	2,945

Other items not applicable to the Group are foreign exchange gain or loss and gain and loss on derivatives.



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's revenue and profits are mainly contributed by its major segment, namely oil palm operations.

For the current quarter under review, the Group recorded revenue of RM111.6 million, of which 99.7% was contributed by oil palm operations segment, compared with RM115.6 million reported in the corresponding period of the preceding year, a decrease of RM4.0 million or 3%. This was principally due to lower realised average selling prices of crude palm oil ("CPO") and palm kernel ("PK"). The gross profit for the current quarter also decreased in line with revenue, mainly due to the decrease in profit for oil palm operations segment by RM1.6 million or 4%. However, the Group's profit before tax for the current quarter under review was higher principally due to impairment losses of RM10.6 million recognised in the corresponding period of the preceding year.

The Group recorded revenue of RM479.4 million for the twelve months ended 31 December 2011 compared with RM340.8 million reported in the preceding year, an increase of RM138.6 million or 40.7%, following the increase of revenue from the oil palm operations segment.

The increase in revenue for the current financial year was principally attributable to the net effect of higher realised average selling prices of CPO and PK, higher sale volume of CPO and PK as compared to the preceding year. The realised average selling prices of CPO and PK have increased by 17.1% and 26.9% respectively in the current financial year primarily due to improvement in global vegetable oil prices. The sales volumes of CPO and PK have also increased by 17.4% and 15.6% in the current financial year.

The Group's profit before tax for the current financial year was higher by RM52.6 million as compared to the the preceding year principally due to higher realised average selling prices and sales volumes of CPO and PK and impairment losses of RM10.6 million recognised in the preceding year.

Other segments' results are insignificant to the Group.

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 RM21.7 million as compared to a profit before tax of RM31.8 million in the preceding quarter.

The decrease was principally attributable to lower CPO and PK sales volume by approximately 17.7% and 2.5%, and lower realised average selling prices of CPO and PK by 8.6% and 18.0% respectively.

B3. Prospects for the Next Financial Year

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

The Directors are of the opinion that the Group will continue to perform well for the next 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 Expense

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Current Year - Period To Date 31/12/2011 RM'000	Preceding Year - Period To Date 31/12/2010 RM'000
Current income tax expense	4,215	4,646	20,392	10,500
Deferred tax expense	1,459	2,389	6,555	7,403
	<u>5,674</u>	<u>7,035</u>	<u>26,947</u>	<u>17,903</u>

The Group's effective tax rate for the financial period ended 31 December 2011 is marginally 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 31 December 2011 are as follows:

Quoted in Malaysia

	At 31/12/2011 RM'000
<u>Current</u>	
Financial assets at fair value through profit or loss	<u>1,685</u>
<u>Represented by:</u>	
At fair value	<u>1,685</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 31/12/2011
	RM'000
<u>Current</u>	
Term loan - secured	20,000
- unsecured	2,960
	<hr/> 22,960
<u>Non-current</u>	
Term loans - secured	50,000
- unsecured	8,900
	<hr/> 58,900
	<hr/>
Total loans and borrowings	<hr/> 81,860 <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 is for a tenure of 5 years and to be repaid in 13 quarterly installments. The first quarterly installment commenced 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 is for a tenure of 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 4.72% 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 proceeds from Public Issue has been fully utilised as follows:

	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Revised Time Frame for Utilisation	Deviation (RM'000)	%	Remark
Capital expenditure	30,000	30,000	By 31 December 2011	-		Balance of (RM'000) nil 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	90,000		-		Balance: (RM'000) nil

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

B10. 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

B11. Changes in Material Litigation

As at 13 February 2012 (*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) 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 adjourned to 29 February 2012.

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

- (b) 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 the 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 13 March 2012.

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. 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 ended 31 December 2011, which was paid to shareholders on 5 October 2011.
- (c) The Board of Directors had declared a second interim, single tier dividend of 10 sen per share, totalling approximately RM28.0 million, in respect of the financial year ended 31 December 2011, payable to shareholders on 29 March 2012. The dividend entitlement date shall be on 8 March 2012.

B13. Earnings per Share

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Current Year - Period To Date 31/12/2011 RM'000	Preceding Year - Period To Date 31/12/2010 RM'000
Profit attributable to Owners of the Company (RM)	19,668	3,402	82,245	34,355
Weighted average number of ordinary shares in issue (unit)	279,564	279,564	279,564	279,564
Basic earnings per share (sen)	7.04	1.22	29.42	12.29
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 December 2011.



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

B14. Retained Earnings

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

	Current Year - Period To Date 31/12/2011 RM'000	Current Year - Period To Date 31/12/2010 RM'000
Total retained profits of the Group and its subsidiaries		
Realised	269,488	218,913
Unrealised	(46,890)	(40,406)
	<u>222,598</u>	<u>178,507</u>
Less: Consolidation adjustments	1,955	(8,801)
Total Group retained profits as per consolidated accounts	<u><u>224,553</u></u>	<u><u>169,706</u></u>

B15. Auditors' Report on Preceding Annual Financial Statements

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

B16. 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 20 February 2012.

By Order of the Board

Company Secretary
Kuching
20 February 2012