



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

# INTERIM REPORT FOR 1ST QUARTER ENDED 31 MARCH 2012



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

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**INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2012**  
**(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 Year Quarter 31/03/2012 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2011 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		294,105	294,790
Plantation development expenditure		239,414	236,158
Investment property		5,613	5,656
<b>Total non-current assets</b>		<b>539,132</b>	<b>536,604</b>
<b>Current assets</b>			
Other investments	B7	1,732	1,685
Inventories		18,020	29,215
Trade and other receivables		29,064	30,021
Prepayments and other assets		7,043	6,482
Assets classified as held for sale		949	949
Current income tax recoverable		133	133
Short term deposits		122,427	152,445
Cash and bank balances		9,980	6,332
<b>Total current assets</b>		<b>189,348</b>	<b>227,262</b>
<b>TOTAL ASSETS</b>		<b>728,480</b>	<b>763,866</b>



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

		<b>As At End Of Current Year Quarter 31/03/2012 (Unaudited) RM'000</b>	<b>As At End Of Preceding Financial Year 31/12/2011 (Audited) RM'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Company</b>			
Share capital	A5	280,000	280,000
Share premium	A5	60,969	60,969
Reserves		211,845	223,177
		<u>552,814</u>	<u>564,146</u>
<b>Non-controlling interests holders</b>		<u>(500)</u>	<u>(252)</u>
<b>Total equity</b>		<u>552,314</u>	<u>563,894</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		50,421	47,021
Borrowings	B8	53,160	58,900
<b>Total non-current liabilities</b>		<u>103,581</u>	<u>105,921</u>
<b>Current liabilities</b>			
Trade and other payables		48,118	66,006
Borrowings	B8	22,960	22,960
Current tax payable		1,507	5,085
<b>Total current liabilities</b>		<u>72,585</u>	<u>94,051</u>
<b>Total liabilities</b>		<u>176,166</u>	<u>199,972</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>728,480</u>	<u>763,866</u>
<b>Net assets per share attributable to Owners of the Company (RM)</b>		<u>1.98</u>	<u>2.02</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD**

(Incorporated in Malaysia - 451377-P)

**Condensed Consolidated Statement of Comprehensive Income**

(The figures have not been audited)

	Notes	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
		Current Year Quarter 31/03/2012 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/03/2011 (Unaudited) RM'000	Current Year - Period To Date 31/03/2012 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2011 (Unaudited) RM'000
Revenue		101,500	90,143	101,500	90,143
Cost of sales		(66,936)	(58,129)	(66,936)	(58,129)
<b>Gross profit</b>		<b>34,564</b>	<b>32,014</b>	<b>34,564</b>	<b>32,014</b>
Other operating income		435	425	435	425
Distribution costs		(5,527)	(4,541)	(5,527)	(4,541)
Other operating expenses		(177)	(667)	(177)	(667)
Administrative expenses		(6,133)	(4,535)	(6,133)	(4,535)
Replanting expenditure		(731)	(1,336)	(731)	(1,336)
<b>Results from operating activities</b>		<b>22,431</b>	<b>21,360</b>	<b>22,431</b>	<b>21,360</b>
Finance income		1,179	894	1,179	894
Finance costs		(959)	(860)	(959)	(860)
<b>Net finance income</b>		<b>220</b>	<b>34</b>	<b>220</b>	<b>34</b>
<b>Profit before tax</b>	A14	<b>22,651</b>	<b>21,394</b>	<b>22,651</b>	<b>21,394</b>
Income tax expense	B5	(6,275)	(4,999)	(6,275)	(4,999)
<b>Profit for the period</b>		<b>16,376</b>	<b>16,395</b>	<b>16,376</b>	<b>16,395</b>
<b>Other comprehensive income, net of tax</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>16,376</b>	<b>16,395</b>	<b>16,376</b>	<b>16,395</b>



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

	Notes	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
		Current Year Quarter 3103/2012 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/03/2011 (Unaudited) RM'000	Current Year - Period To Date 31/03/2012 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2011 (Unaudited) RM'000
<b>Profit attributable to:</b>					
Owners of the Company		16,624	16,611	16,624	16,611
Non-controlling interests holders		(248)	(216)	(248)	(216)
<b>Profit for the period</b>		<u>16,376</u>	<u>16,395</u>	<u>16,376</u>	<u>16,395</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		16,624	16,611	16,624	16,611
Non-controlling interests holders		(248)	(216)	(248)	(216)
<b>Total comprehensive income for the period</b>		<u>16,376</u>	<u>16,395</u>	<u>16,376</u>	<u>16,395</u>
<b>Basic earnings per ordinary share attributable to Owners of the Company (sen):</b>					
<b>Basic</b>	B13	<u>5.95</u>	<u>5.94</u>	<u>5.95</u>	<u>5.94</u>
<b>Diluted</b>	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 2011 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		
<b>At 1 January 2012</b>		280,000	280,000	60,969	493	(1,223)	223,907	564,146	(252)	563,894
<b>Total comprehensive income for the period</b>		-	-	-	-	-	16,624	16,624	(248)	16,376
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2011	B12	-	-	-	-	-	(27,956)	(27,956)	-	(27,956)
<b>At 31 March 2012</b>		280,000	280,000	60,969	493	(1,223)	212,575	552,814	(500)	552,314

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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								
<b>At 1 January 2011</b>		280,000	280,000	60,969	493	(1,223)	169,706	509,945	4,118	514,063
<b>Total comprehensive income for the period</b>		-	-	-	-	-	16,611	16,611	(216)	16,395
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2010		-	-	-	-	-	(9,785)	(9,785)	-	(9,785)
<b>At 31 March 2011</b>		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 2011 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 31/03/2012 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2011 (Unaudited) RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>22,651</b>	<b>21,394</b>
<i>Adjustments for:</i>		
Amortisation of investment property	43	43
Depreciation of property, plant and equipment	4,750	4,581
Dividend income from other investments	(36)	(5)
Gain on disposal of other investments	(9)	(6)
Reversal of impairment loss on:		
- trade and other receivables	0	(31)
Finance income	(1,179)	(894)
Finance cost	959	860
Inventories written off	130	0
Property, plant and equipment written off	10	165
<b>Operating profit before changes in working capital</b>	<b>27,319</b>	<b>26,107</b>
Change in inventories	11,078	(12,908)
Change in trade and other receivables, prepayments and other financial assets	420	2,955
Change in trade and other payables	(21,299)	11,278
<b>Cash generated from operations</b>	<b>17,518</b>	<b>27,432</b>
Income tax refunded	0	9
Income tax paid	(6,451)	(2,880)
Interest paid	(793)	(860)
Interest received	1,140	866
<b>Net cash from operating activities</b>	<b>11,414</b>	<b>24,567</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,268)	(1,661)
Net movement of fixed deposits with maturities of more than three months	338	794
Plantation development expenditure (net of depreciation of property, plant and equipment capitalised)	(2,819)	(2,569)
<b>Net cash used in investing activities</b>	<b>(3,749)</b>	<b>(3,436)</b>



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

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/03/2012 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2011 (Unaudited) RM'000
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(5,740)	(740)
Dividends paid to owners of the Company	(27,956)	0
<b>Net cash used in financing activities</b>	<b>(33,696)</b>	<b>(740)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(26,031)</b>	<b>20,391</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>153,099</b>	<b>112,978</b>
<b>Cash and cash equivalents as at 31 March</b>	<b>127,068</b>	<b>133,369</b>
<b>Represented by:</b>		
Short term deposits	122,427	139,336
Cash and bank balances	9,980	678
	<b>132,407</b>	<b>140,014</b>
Less:		
Fixed Deposits pledged*	(716)	(716)
Fixed Deposits with maturities exceeding three months	(4,623)	(5,929)
<b>Cash and cash equivalents</b>	<b>127,068</b>	<b>133,369</b>

\* 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 2011 and the accompanying explanatory notes attached to this report)



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

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**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 2011.

**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 2011 except for the adoption of the following new/revised standards, amendments and interpretations:

<b>Standard / Amendment / Interpretation</b>	<b>Effective date</b>
Amendments to IC Interpretation 14, <i>Prepayments of a Minimum Funding Requirement</i>	1 July 2011
IC Interpretation 19, <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 July 2011
FRS 124, <i>Related Party Disclosures</i> (revised)	1 January 2012
Amendments to FRS 1, <i>First-time Adoption of Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First time Adopters</i>	1 January 2012
Amendments to FRS 7, <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>	1 January 2012
Amendments to FRS 112, <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>	1 January 2012

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 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 the financial statements of state-controlled entities of transactions with other state-controlled entities. The partial exemption from disclosures for government-related activities as permitted in the revised FRS 124 is intended to put users on notice that such related party transactions have occurred and to give an indication of their extent.



## 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)

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

<b>Standard / Amendment / Interpretation</b>	<b>Effective date</b>
Amendments to FRS 101, <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>	1 July 2012
FRS 10, <i>Consolidated Financial Statements</i>	1 January 2013
FRS 11, <i>Joint Arrangements</i>	1 January 2013
FRS 12, <i>Disclosure of Interests in Other Entities</i>	1 January 2013
FRS 13, <i>Fair Value Measurement</i>	1 January 2013
FRS 119, <i>Employee Benefits</i> (2011)	1 January 2013
FRS 127, <i>Separate Financial statements</i> (2011)	1 January 2013
FRS 128, <i>Investments in Associates and Joint Ventures</i> (2011)	1 January 2013
IC Interpretation 20, <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
Amendments to FRS 7, <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to FRS 132, <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
FRS 9, <i>Financial Instruments</i> (2009)	1 January 2015
FRS 9, <i>Financial Instruments</i> (2010)	1 January 2015
Amendments to FRS 7, <i>Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures</i>	1 January 2015

The initial application of a standard, an amendment or an interpretation, which is to be applied prospectively or which requires extended disclosures, is not expected to have any material financial impacts on the financial statements for the current and prior periods upon its first adoption.

#### 2.2 Malaysian Financial Reporting Standards

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, *Agreements for the Construction of Real Estate*.



**Part A – Explanatory Notes Pursuant to FRS 134**

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**A1. Basis of preparation (continued)**

**2. Significant accounting policies (continued)**

**2.2 Malaysian Financial Reporting Standards (continued)**

An entity subject to the application of MFRS 141 and/or IC Interpretation 15 (hereinafter referred to as transitioning entity), and the entity that consolidates or equity accounts or proportionately consolidates the transitioning entity, may continue to apply Financial Reporting Standard (“FRS”) as their financial reporting framework for annual reporting periods beginning on or after 1 January 2012. The entity shall however comply with the MFRS framework for annual periods beginning on or after 1 January 2013.

In view of the foregoing, entities of the Group which are not transitioning entities has migrated to the MFRS framework from the financial year beginning on 1 January 2012 while the rest of the Group, including the Company, will migrate to the MFRS framework from the financial year beginning on 1 January 2013.

Accordingly, the Company and the transitioning entities of the Group have applied for the year beginning on 1 January 2012 the FRS standards, amendments and interpretations that are effective for annual periods beginning on or before 1 January 2012, except those assessed as being presently not applicable to them. The latter includes Amendments to IC Interpretation 14, Amendments to FRS 1 and Amendments to FRS 112.

The financial statements of the Group are prepared in compliance with FRS for the year ending 31 December 2012. They will be prepared in compliance with MFRS from the financial year beginning on 1 January 2013.



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**Part A – Explanatory Notes Pursuant to FRS 134**

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**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**

	<b>Cumulative Quarter (3 Months)</b>	
	<b>Current Year - Period To Date 31/03/2012 RM'000</b>	<b>Preceding Year - Period To Date 31/03/2011 RM'000</b>
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2011		
- 10 sen per ordinary share	27,956	-
	<hr/>	<hr/>
	27,956	-
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**A7. Segment Information**

The Group's business segments mainly comprise the following three major business segments:-

**(i) Investment holding**

Investment holding company

**(ii) Oil palm operations**

Cultivation of oil palm and processing of fresh fruit bunches

**(iii) Management services and rental**

Provision of management service and rental of investment properties



Part A – Explanatory Notes Pursuant to FRS 134

A7. Segment Information (continued)

Individual Quarter (Q1) / Cumulative Quarter (3 Months)

	Investment holding RM'000	Oil palm operations RM'000	Management services /Rental RM'000	Consolidated RM'000
<b>31/03/2012</b>				
<b>Revenue</b>				
Segment revenue	10,000	101,102	1,128	112,230
Inter-segment revenue	(10,000)	-	(730)	(10,730)
External revenue	-	101,102	398	101,500
<b>Cost of sales</b>				
Segment cost of sales	-	(66,353)	(637)	(66,990)
Inter-segment cost of sales		9	45	54
External cost of sales	-	(66,344)	(592)	(66,936)
Gross profit	-	34,758	(194)	34,564

Individual Quarter (Q1) / Cumulative Quarter (3 Months)

	Investment holding RM'000	Oil palm operations RM'000	Management services /Rental RM'000	Consolidated RM'000
<b>31/03/2011</b>				
<b>Revenue</b>				
Segment revenue	20,000	89,856	946	110,802
Inter-segment revenue	(20,000)	-	(659)	(20,659)
External revenue	-	89,856	287	90,143
<b>Cost of sales</b>				
Segment cost of sales	-	(57,695)	(521)	(58,216)
Inter-segment cost of sales		12	75	87
External cost of sales	-	(57,683)	(446)	(58,129)
Gross profit	-	32,173	(159)	32,014



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Part A – Explanatory Notes Pursuant to FRS 134

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A7. Segment Information (continued)

Segment asset and liabilities

	<b>As At End Of Current Financial Period 31/03/2012</b>
<b>Segment assets:</b>	
Oil palm operations	620,893
Investment holding	376,886
Management services and rental	39,596
Total	<u>1,037,375</u>
Elimination	<u>(308,895)</u>
<b>Total assets</b>	<b><u>728,480</u></b>
	<b>As At End Of Current Financial Period 31/03/2012</b>
<b>Segment liabilities:</b>	
Oil palm operations	176,019
Investment holding	1,803
Management services and rental	8,922
Total	<u>186,744</u>
Elimination	<u>(10,578)</u>
<b>Total liabilities</b>	<b><u>176,166</u></b>





**Part A – Explanatory Notes Pursuant to FRS 134**

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**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 2012, 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 2012, 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 31/03/2012**

**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 2012, 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:

	<b>At 31/03/2012</b>
	<b>RM'000</b>
<b>Capital Expenditure</b>	
Authorised and contracted for	181,245
Authorised and not contracted for	66,824
	<u>248,069</u>
<b>Analysed as follows:</b>	
Property, plant and equipment	182,974
Plantation development expenditure	65,095
	<u>248,069</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.

	<b>Cumulative Quarter (3 Months)</b>	
	<b>Current Year - Period To Date 31/03/2012 RM'000</b>	<b>Preceding Year - Period To Date 31/03/2011 RM'000</b>
a. Sarawak Land Development Board ("SLDB")		
- Receipts of proceeds from sales of FFB on behalf of SLDB*	484	412
- Payment of expenses on behalf of SLDB*	(134)	(191)
- Management fee in relation to the management of the plantation of SLDB	59	0
b. Danawa Resources Sdn. Bhd.		
- Acquisition of hardware and software	2	2
	<u>2</u>	<u>2</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 (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/03/2012 RM'000	Preceding Year Corresponding Quarter 31/03/2011 RM'000	Current Year - Period To Date 31/03/2012 RM'000	Preceding Year - Period To Date 31/03/2011 RM'000
<b>Results from operating activities is arrived at after charging:</b>				
Amortisation of investment property	43	43	43	43
Depreciation of property, plant and equipment	4,750	4,581	4,750	4,581
Inventory written off	130	0	130	0
Property, plant and equipment written off	10	165	10	165
Finance cost	959	860	959	860
<b>Results from operating activities is arrived at after crediting:</b>				
Dividend income from other investment	36	5	36	5
Gain on disposal of other investment	9	6	9	6
Reversal of impairment loss on trade and other receivables	0	31	0	31
Other operating income	435	425	435	425
Finance income	1,179	894	1,179	894

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**

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**B1. Review of Performance**

Quarter 1, 2012 Vs Quarter 1, 2011

The Group recorded revenue of RM101.5 million in the current quarter under review compared with RM90.1 million reported in the corresponding period of the preceding year. Similarly, the Group's profit before tax of RM22.6 million for the current quarter under review was also higher by RM1.2 million as compared to RM21.4 million for the corresponding period of the preceding year.

The performance of the respective major business segments of the Group are as follows:

Oil palm operations

For the current quarter under review, oil palm operations segment contributed 99.6% of the Group recorded revenue of RM101.5 million.

The revenue of the oil palm operations increased by RM11.2 million from RM101.1 million in current quarter under review compared with RM89.9 million reported in the corresponding period of the preceding year. The increase was principally attributed to the effect of higher sales volume of CPO and PK, partially offsetted by lower realised average selling prices of CPO and PK.

The sales volumes of CPO and PK have increased by 37.3% and 37.7% respectively for the current quarter under review as compared to the corresponding period of the preceding year.

The realised average selling prices decreased by 13.4% and 40.0% respectively for the current quarter under review in tandem with the global vegetable oil prices trends.

In line with the increase in revenue, the gross profit for the oil palm operations increased by RM2.6 million for the current quarter review.

Other segments

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 RM22.6 million as compared to a profit before tax of RM21.6 million in the preceding quarter. The increase was principally attributed to the effect of higher realised average selling prices of CPO and PK, partially offsetted by lower sales volume of CPO and PK.

The realised average selling prices of CPO and PK increased by 10.7% and 7.8% respectively whereas the CPO and PK sales volume were lower by approximately 17.5% and 12.8%, respectively.

**B3. Prospects for the Current Financial Year**

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

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.



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

**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.

**B5. Income Tax Expense**

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	RM'000	RM'000	RM'000	RM'000
Current income tax expense	2,875	4,482	2,875	4,482
Deferred tax expense	3,400	517	3,400	517
	<u>6,275</u>	<u>4,999</u>	<u>6,275</u>	<u>4,999</u>

The Group's effective tax rate for the financial period ended 31 March 2012 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 31 March 2012 are as follows:

Quoted in Malaysia

	At 31/03/2012 RM'000
<u>Current</u>	
Financial assets at fair value through profit or loss	<u>1,732</u>
<u>Represented by:</u>	
At fair value	<u>1,732</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**

	<b>At 31/03/2012</b>
	<b>RM'000</b>
<u>Current</u>	
Term loan - secured	20,000
- unsecured	2,960
	<hr/> 22,960
<u>Non-current</u>	
Term loans - secured	45,000
- unsecured	8,160
	<hr/> 53,160
	<hr/>
Total loans and borrowings	<hr/> <b>76,120</b> <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 5.00% per annum.

The above borrowings are denominated in Ringgit Malaysia.



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

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**B9. Corporate Proposals**

**Status of Corporate Proposals Announced**

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

**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.

**B11. Changes in Material Litigation**

As at 19 May 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) A subsidiary, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD") sued 15 individuals ("Defendants") and sought injunctive relief against the Defendants for various acts of trespass over its land described as Lot 7 Block 12 Bawan Land District now known as Lot 32 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). Subsequently this matter was withdrawn and filed fresh in November 2010.

The Writ of Summons was filed under a new suit number KCH 22-237-2012-III (SPAD vs. TR Ladon anak Edieh and 10 others) on 23 November 2010. A Reply to the Defence and Counterclaim was filed on 11 January 2011.

The Defendants filed a Summons in Chambers dated 13 July 2011 to rejoin SLDB, the Superintendent of Lands and Surveys Mukah Division and the State Government of Sarawak as a party to the action. SPAD filed an Affidavit in Opposition dated 26 July 2011. The hearing of this Summons in Chambers is still ongoing.

On 19 March 2012, SPAD was informed that there was a trial at Sibul before the High Court under Suit No. 21-5-2012-III which involved the same land as in suit number KCH 22-237-2012-III. The Company, through its Advocates sought clarification from the Defendants by obtaining an earlier mention date, ie. 22 March 2012. At the said mention date, the Honourable Judge ordered for a consolidation subject to the approval of the parties involved and fixed the matter for a further mention on 7 May 2012.

The Counsel for the Defendant has requested for a short adjournment in order for Counsel for SLDB to write in to apply for the Notes of Proceedings in order to decide whether or not to oppose the rejoinder in Summons in Chambers dated 13 July 2011. The honourable court fixed 21 May 2012 for further Mention.

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**

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**B11. Changes in Material Litigation (continued)**

- (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 3 Crude Palm Oil (CPO) tanks resulting in spillage of CPO and other incidental damage. On 4 September 2008, the Defendant declined liability under 2 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 SPAD on 27 April 2009. A Reply to Defence was filed and served on 26 May 2009. The Summons for Direction and Notice to Attend Pre Trial Case Management was filed on 3 June 2009.

This suit is now fixed for mediation on 21 May 2012.

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

- (c) In a new suit involving SPAD, a Writ of Summons dated 24 February 2012 was served on SPAD’s solicitors on 4 April 2012. The Plaintiffs sued 4 Defendants. The second of whom is SPAD. The Plaintiffs are claiming for several reliefs and orders which include amongst other things, a declaration that the transfer of the land, namely Lot 3 Block 8 Gigis Land District, to the First Defendant and SPAD is illegal, null and void and is of no effect, a declaration that the said land is still held under the Native Customary Rights of the Plaintiffs, an order that SPAD deliver up vacant possession of the said land and their buildings thereon and to remove their machineries and equipments therefrom, and damages.

The first mention was on 9 April 2012 and was done via video conference to the Sibiu High Court before the Honourable Judge. The Statement of Defence is to be filed on or before 3 May 2012. The next date for mention of the matter is 21 May 2012.

- (d) In another suit, SPB Pelita Suai Sdn. Bhd. (“SP Suai”) sued 6 individuals (“Defendants”), seeking injunctive and declaratory relief against the Defendants for various acts of trespass over 2 parcels of Native Communal Reserve Land which the Defendants had given consent for development into an oil palm estate. SP Suai also seeks to claim damages.

The application for injunction was first heard on 7 May 2012 and the Court reserved for judgement on 22 June 2012.

The Directors, in consultation with the SP Suai’s advocates, are of the opinion that SP Suai 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**

On 20 February 2012, the Board of Directors had declared a second interim, single tier dividend of 10 sen per share, totalling approximately RM28 million, in respect of the financial year ended 31 December 2011, which was paid to shareholders on 29 March 2012.

**B13. Earnings per Share**

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/03/2012 RM'000	Preceding Year Corresponding Quarter 31/03/2011 RM'000	Current Year - Period To Date 31/03/2012 RM'000	Preceding Year - Period To Date 31/03/2011 RM'000
Profit attributable to Owners of the Company (RM)	16,624	16,611	16,624	16,611
Weighted average number of ordinary shares in issue (unit)	279,564	279,564	279,564	279,564
Basic earnings per share (sen)	5.95	5.94	5.95	5.94
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 2012.



**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 March 2012 contain unrealised profits, as disclosed below:

	<b>Current Year - Period To Date 31/03/2012 RM'000</b>	<b>As At End Of Preceding Financial Year 31/12/2011 RM'000</b>
Total retained profits of the Group and its subsidiaries		
Realised	260,801	267,450
Unrealised	(50,492)	(46,846)
	<hr/>	<hr/>
	210,309	220,604
Less: Consolidation adjustments	2,266	3,303
	<hr/>	<hr/>
Total Group retained profits as per consolidated accounts	<u>212,575</u>	<u>223,907</u>

**B15. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2011 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 25 May 2012.

*By Order of the Board*

Company Secretary  
Kuching  
25 May 2012