

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2010

	Individual Month 3 months ended		Cumulative Year To Date 3 months ended	
	31/03/2010 RM'000	31/03/2009 RM'000	31/03/2010 RM'000	31/03/2009 RM'000
Revenue	778,639	735,404	778,639	735,404
Other income	3,279	2,822	3,279	2,822
Changes in inventory of finished goods and work in progress	304,137	37,331	304,137	37,331
Raw materials and consumables	(928,610)	(696,702)	(928,610)	(696,702)
Staff costs	(41,552)	(32,813)	(41,552)	(32,813)
Depreciation of property, plant and equipment	(8,573)	(8,176)	(8,573)	(8,176)
Other operating expenses	(60,695)	(36,399)	(60,695)	(36,399)
Finance cost	(5,500)	(6,583)	(5,500)	(6,583)
Share of profit of associates	7,576	8,371	7,576	8,371
Profit before tax	48,701	3,255	48,701	3,255
Income tax (expense)/credit	(6,036)	9,193	(6,036)	9,193
Total comprehensive income for the period	42,665	12,448	42,665	12,448
Attributable to :				
Equity holders of the parent	40,637	10,192	40,637	10,192
Minority interests	2,028	2,256	2,028	2,256
	42,665	12,448	42,665	12,448
Earnings per share (sen)				
(i) Basic (based on 470,402,000 ordinary shares (2009: 470,402,000 ordinary shares) (sen))	8.64	2.17	8.64	2.17
Net dividend per share (sen)	0.09	0.02	0.09	0.02

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

ASSETS	As at 31/03/2010 RM'000	Audited as at 31/12/2009 RM'000
Non-current assets		
Property, plant and equipment	358,819	357,346
Investment in associated companies	239,899	237,193
Other investments	40	40
Intangible assets	139	139
Deferred tax assets	54,213	51,454
	<u>653,110</u>	<u>646,172</u>
Current assets		
Tax recoverable	2,186	-
Inventories	857,066	552,929
Trade and other receivables	797,062	777,127
Cash and bank balances	262,315	198,815
	<u>1,918,629</u>	<u>1,528,871</u>
TOTAL ASSETS	<u>2,571,739</u>	<u>2,175,043</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	470,402	470,402
Reserves	536,603	547,852
	<u>1,007,005</u>	<u>1,018,254</u>
Minority interests	72,047	70,019
Total equity	<u>1,079,052</u>	<u>1,088,273</u>
Non-current liabilities		
Retirement benefit obligations	64,046	63,367
Long term borrowings	8,244	12,791
Deferred tax liabilities	33,972	28,083
	<u>106,262</u>	<u>104,241</u>
Current liabilities		
Retirement benefit obligations	3,968	3,968
Short term borrowings	1,048,201	760,568
Trade and other payables	311,957	195,140
Tax payable	22,299	22,853
	<u>1,386,425</u>	<u>982,529</u>
Total liabilities	<u>1,492,687</u>	<u>1,086,770</u>
TOTAL EQUITY AND LIABILITIES	<u>2,571,739</u>	<u>2,175,043</u>
	-	-
Net assets per share (RM)	2.29	2.31

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2010

	Attributable to Equity holders of the Parent				Total	Minority interest	Total equity
	Share capital	Non-distributable	Distributable				
	Share premium	Other reserves	Retained earnings				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2009	470,402	7,085	14,461	369,307	861,255	63,655	924,910
Currency exchange translation differences	-	-	(1,339)	-	(1,339)	-	(1,339)
Effect arising from acquisition of minority interest of subsidiary	-	-	-	(338)	(338)	(3,912)	(4,250)
Net expense recognised directly in equity	-	-	(1,339)	(338)	(1,677)	(3,912)	(5,589)
Total comprehensive income for the year	-	-	-	169,261	169,261	10,276	179,537
Total comprehensive income recognised for the year	-	-	(1,339)	168,923	167,584	6,364	173,948
Dividend	-	-	-	(10,585)	(10,585)	-	(10,585)
At 31 December 2009	470,402	7,085	13,122	527,645	1,018,254	70,019	1,088,273
	Share capital	Non-distributable	Distributable		Total	Minority interest	Total equity
	Share premium	Other reserves	Retained earnings		RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2010 (as previously stated)	470,402	7,085	13,122	527,645	1,018,254	70,019	1,088,273
Effects of adopting FRS 139	-	-	-	(9,338)	(9,338)	-	(9,338)
As at 1 January 2010 (restated)	470,402	7,085	13,122	518,307	1,008,916	70,019	1,078,935
Revaluation reserve	-	-	(208)	-	(208)	-	(208)
Net expense recognised directly in equity	-	-	(208)	-	(208)	-	(208)
Total comprehensive income for the period	-	-	-	40,637	40,637	2,028	42,665
Total comprehensive income recognised for the period	-	-	(208)	40,637	40,429	2,028	42,457
Dividend	-	-	-	(42,340)	(42,340)	-	(42,340)
At 31 March 2010	470,402	7,085	12,914	516,604	1,007,005	72,047	1,079,052

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NATIONAL BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2010

	Year ended 31 March 2010 RM '000	Year ended 31 March 2009 RM '000
Net cash (used in)/generated from operating activities	(220,862)	112,407
Net cash used in investing activities	(252)	(14,002)
Net cash generated from/(used in) financing activities	240,746	(109,180)
Net Change in Cash and Cash Equivalents	19,632	(10,775)
Cash and Cash Equivalents at beginning of period	208,260	208,260
Cash and Cash Equivalents at end of period	<u>227,892</u>	<u>197,485</u>
Cash and Cash Equivalents comprise :-		
Cash and bank balances	262,315	198,184
Bank overdrafts	(34,423)	(699)
	<u>227,892</u>	<u>197,485</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

PADIBERAS NASIONAL BERHAD (Company No. 295514 U)

(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY FINANCIAL REPORTS
FOR THE 3 MONTHS PERIOD ENDED 31 MARCH 2010**

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial report for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”):

Effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 101 Presentation of Financial Statements (revised)

FRS 123 Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1
and FRS 127 First-time Adoption of Financial Reporting Standards and Consolidated and Separate
Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or
Associate

Amendment to FRS 2 Share-based Payment - Vesting Conditions and Cancellations

Amendment to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 8 Operating Segments

Amendment to FRS 107 Cash Flow Statements

Amendment to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendment to FRS 110 Event After the Balance Sheet Date

Amendment to FRS 116 Property, Plant and Equipment

Amendment to FRS 117 Lease

Amendment to FRS 118 Revenue

Amendment to FRS 119 Employee Benefits

Amendment to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance

Amendment to FRS 123 Borrowing Costs

Amendment to FRS 128 Investment in Associates

Amendment to FRS 129 Financial Reporting in Hyperinflationary Economics

Amendment to FRS 131 Interest in Joint Ventures

Amendments to FRS 132 Financial Instruments: Presentation

Amendment to FRS 134 Interim Financial Reporting

Amendment to FRS 136 Impairment of Assets

Amendment to FRS 138 Intangible Assets

Amendments to FRS 139,
FRS 7 and
IC Interpretation 9 Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of
Embedded Derivatives

2. Changes in Accounting Policies (Contd.)

Effective for financial periods beginning on or after 1 January 2010 (Contd.):

Improvements to FRSs 2009	Improvement to FRSs (2009)
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above FRSs, Amendments to FRS and Interpretations are expected to have no significant impact on the financial statements of the Company upon their initial application except for the changes arising from the adoption of FRS 7, FRS 8, FRS 101, FRS 117 and FRS 139 as discussed below:

FRS 7 : Financial Instruments : Disclosures

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of the quantitative information about exposures to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and foreign exchange risks, including sensitivity analysis to foreign exchange risks. As this is a disclosure standard, there will be no impact on the financial position or results of the Group for the period.

FRS 8 : Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ : Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segment reporting will be based on the internal reporting to the "chief operating decision maker" who makes decisions on the allocation of resources and assesses the performance on the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group for the period.

FRS 101: Presentation of the Financial Statements

The revised FRS 101 separates owner and non-owner changes in equity. The statement of the changes in equity includes only details of transaction with owners, with all non-owner changes in equity presented in their statement of other comprehensive income. In addition, the standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and result of the Group.

FRS 117: Leases

The Group has adopted the amendment to FRS 117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with transitional provision of the amendment.

The reclassification does not affect the basic and diluted earning per ordinary share for the current and prior periods.

2. Changes in Accounting Policies (Contd.)

FRS 117: Leases (Contd.)

The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	31 December 2009	
	As restated RM'000	As previously stated RM'000
Net book value		
Property, plant and equipment	357,346	347,351
Prepaid land lease payment	-	9,995

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 provides guidance for the measurement of financial instruments. Depending on the categorization applied for each individual financial asset and liability, some financial assets and liabilities will need to be fair valued and others are stated at amortised cost. FRS 139 prescribes prospective application for the first time adoption. Significant accounting policies adopted are summarized below :-

Financial Assets

Financial assets recognised in the statement of financial position when and only when, the Group or Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Group or the Company's contractual rights to the cashflow from the financial assets expires or if the Group or the Company transfer the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Initial Recognition

Financial assets within the scope of FRS 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way purchase) are recognised on the trade date i.e. date that the Group or Company commits to purchase or sell the assets.

The Group's financial assets include cash and bank balances and trade and other receivables. All financial assets of the Group and Company are categorised as loans and receivables.

Subsequent Measurement

Loans and receivables are non- derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method less impairment losses. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortisation process.

2. Changes in Accounting Policies (Contd.)

FRS 139: Financial Instruments: Recognition and Measurement (Contd.)

Financial Liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provision of the instrument. Financial liabilities are derecognised if the Group's obligation specified in the contract expires or are discharged or cancelled.

Initial Recognition

Financial liabilities within the scope of FRS 139 are classified as financial liabilities at fair value through profit and loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities includes trade and other payables and financial guarantees. All financial liabilities of the Group are classified as loans and borrowings.

Subsequent Measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the Statement of Comprehensive Income when the liabilities are derecognized as well as through amortisation process.

Transitional provisions and effects on financial statements

In accordance with the transitional provision of FRS 139, the Group is required to remeasure the financial assets and liabilities as appropriate. Any adjustment of the previous carrying amount of the financial assets and liabilities shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial year in which FRS 139 is initially applied.

The following table provides the extent to which the consolidated statement of financial position as at 31 March 2010 is higher or lower than it would have been had the previous policies been applied in the current period. The changes have been accounted for by restating the following opening balances in the statement of financial position as at 1 January 2010:

Effect on Statement of Financial Position as at 1 January 2010	RM'000
Decrease in Trade and Other Receivables	(9,338)
Decrease in Retained Earnings	<u>9,338</u>

Impairment of financial assets

FRS 139 required the Group to assess at each statement of financial position date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the assets (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2009 was unqualified.

4. Comments About Seasonal or Cyclical Factors

The Group's performance for the period under review has not been affected by seasonal or cyclical factors.

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equities, net income, or cash flows during the first quarter ended 31 March 2010.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Debts and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter.

8. Dividends Paid

Interim dividend of 12% taxable dividend less 25% taxation on 470,401,501 ordinary shares in respect of the financial year ended 31 December 2009 amounting to RM42,336,000 was declared on 22 January 2010 and paid on 23 February 2010.

9. Segmental Information

No segmental information is presented as the activities of the Group during the current and previous periods are substantially in the importing, buying, processing and selling of rice and/or by-products and/or paddy and were predominantly conducted in Malaysia.

10. Carrying Amount of Revalued Assets

There are no assets carried at valuation.

11. Significant and Subsequent Events

There were no significant event in the current quarter.

12. Changes in Composition of the Group

There are no changes in the composition of the Group since date of the previous announcement.

13. Changes in Contingent Liabilities and Contingent Assets

- (a) The Company was served with a Writ and Statement of Claim dated 14 October 2005 by Konsortium Pemborong Beras (Melayu) Kelantan Sdn Bhd ("KBK") and was named as the First Defendant. KBK is seeking, the following:
- (i) A declaration that the Company violated the terms of the Joint Venture Agreement ("JVA") by not complying with its duties and obligations as a member/partner of Formula Timur Sdn Bhd ("the Joint Venture Company");
 - (ii) A declaration that the Company's action in stopping the supply of rice to the Joint Venture Company is contrary to the provisions of the JVA, was wrongful and invalid;
 - (iii) A declaration that the Company by commission or omission committed a fraud upon the minority shareholders of the Joint Venture Company and/or abuse of power;
 - (iv) General damages of RM112 million to be paid by the Company to the Joint Venture Company;
 - (v) Rebate of RM760,000;
 - (vi) Interest under Section 11 of the Civil Law Act, 1965 and in equity on the damages at 8% per annum from August 2003 till payment; and
 - (vii) Injunction and Costs and other relief's as the Court deem just.

The Company filed the application to strike out the said Statement of Claim against the Company on the ground that there is no valid cause of action. The Senior Assistant Registrar had dismissed the Company's application to strike out.

The Company's Notice of Appeal to Judge in Chambers against the Senior Assistant Registrar's decision on 7 May 2007 pertaining to the Company's striking out application was fixed for decision on 20 May 2009. On 20 May 2009, the Judge in Chambers has dismissed the Company's appeal with costs in relation to the Senior Assistant Registrar's decision on 7 May 2007 for the Company's striking out application. The Company has upon advice by the solicitors, instructed its solicitors to file a Notice of Appeal at the Court of Appeal against the decision of the Judge in Chambers.

The Court Of Appeal has yet to fix the hearing date for the Notice of Appeal filed by the Company.

- (b) On 27 March 2006, the Company was served with a sealed copy of a Summons in Chambers dated 3 March 2006 by KBK for an interlocutory injunction, inter alia, the followings:
- (i) Restrain the Company from selling, hiring and supplying rice to any third party or allowing any activities which may compete with the business of the Plaintiff; and
 - (ii) Instruct the Company to resume selling, hiring and supplying rice to the Plaintiff.

KBK's application for injunctive relief and discovery which has been fixed for 22 June 2009 has been adjourned to 2 September 2009 and 26 October 2009 respectively for further mention. BERNAS had given instruction to its solicitors to set aside the said injunction application. The Court has yet to fix the date for KBK's application for injunctive relief and discovery.

- (c) The Company was served with a Writ of Summons and Statement of Claim dated 5 May 2006 initiated by A Halim Bin Hamzah & 291 others ("the Plaintiffs"). The civil suit is brought by the Plaintiffs against the Company & 24 others ("the Defendants") for, inter alia, the following claims:

13. Changes in Contingent Liabilities and Contingent Assets

(c) Contd.

- (i) A declaration that the 2000 VSS scheme initiated by the Company is void and of no effect.
- (ii) A declaration that the Defendants had by unlawful means conspired and combined together to defraud or injure the Plaintiffs.
- (iii) Alternatively, a declaration that the Defendants had acted in furtherance of a wrongful conspiracy to injure the Plaintiffs.
- (iv) Damages to be assessed.
- (v) Interest and costs.

In relation to the Suit filed by the Plaintiffs against the Defendants, the Company had filed Summons in Chambers pursuant to Order 12 Rule 7 and/or Order 18 Rule 19 of the Rules of the High Court 1980 ("the Company's Application") for the following:

- (i) That the Writ and Statement of Claim as against the said Defendants be struck out as it discloses no reasonable course of actions, scandalous, frivolous, vexatious and/or is an abuse of process of the Court;
- (ii) That the cost of the said Order to be borne by the Plaintiffs; and
- (iii) Such further or other orders as the Court deemed fit.

The Court has granted Order In Terms for the Company's application to strike out the 21st Defendant with cost payable to the Company but dismissed the Company's application to strike out the 2nd to 12th Defendants on 3 September 2007. On 3 March 2008, the Court dismissed the Company's application to strike out the 2nd to 12th Defendants from being the party to the suit. The Company's solicitors had on 17 April 2008, filed Statements of Defence for 2nd to 12th Defendants. The matter has been fixed for further case management on 26 July 2010 pending the transfer of the matter to another solicitors and to allow the Plaintiffs' solicitors to amend the Writ of Summons and Statement of Claim as some of the Plaintiffs have since been deceased.

(d) The Company on 6 June 2006 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Zainon Bt Ahmad for and on behalf of the 690 others ("the Plaintiffs") for the following claims:

- (i) A declaration that the Plaintiffs as employees of the Company whose service of employment has been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits provided for in clause 7.3 of the 'Terma dan Syarat Perkhidmatan Kumpulan Eksekutif dan Kumpulan Bukan Eksekutif' and in clause 5.5 of the 'Buku Panduan Kumpulan Eksekutif dan Bukan Eksekutif'.
- (ii) An order that the Company pays the Retirement/Termination Benefits due to the Plaintiffs as follows:-
 - for those Plaintiffs who have attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid directly to them; and
 - for those Plaintiffs who have not attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid into their accounts at the Employment Provident Fund.
- (iii) Interest at the rate of 8% per annum from 1 January 2004 to the date of payment as ordered by the Court.

13. Changes in Contingent Liabilities and Contingent Assets

(d) Contd.

(iv) Such further orders, directions or relief that the Court deems fit and appropriate.

(v) Costs to be paid by the Company to the Plaintiffs.

The Court had on 13 March 2008 allowed Plaintiff's application with cost and the Company had instructed the Company's solicitors to file Grounds of Appeal to the Court of Appeal. The Court of Appeal had on 24 August 2009 allowed the Company's application to amend the memorandum of appeal and the Notice of Appeal. As of to date, the Court of Appeal has yet to fix the hearing date for the Notice of Appeal filed by the Company.

(e) The Company on 4 January 2010 was served with a sealed copy of Originating Summons and Affidavit in Support ("the Plaintiffs Application") affirmed by Rahman Bin Samud for and on behalf of the 242 others ("the Plaintiffs") for the following claims:

(i) A declaration that the Plaintiffs as employees of the Company whose service of employment has been terminated before attaining the age of 55 due to reasons other than that of compulsory retirement, optional retirement, death or a disability are entitled to the Retirement/Termination Benefits provided for in clause 7.3 of the 'Terma dan Syarat Perkhidmatan Kumpulan Eksekutif dan Kumpulan Bukan Eksekutif' and in clause 5.5 of the 'Buku Panduan Kumpulan Eksekutif dan Bukan Eksekutif'.

(ii) An order that the Company pays the Retirement/Termination Benefits due to the Plaintiffs as follows:-

- for those Plaintiffs who have attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid directly to them; and

- for those Plaintiffs who have not attained the age of retirement of 55 years as at the date of the order, the Retirement/Termination Benefits be paid into their accounts at the Employment Provident Fund.

(iii) Interest at the rate of 8% per annum from 1 January 2004 to the date of payment as ordered by the Court.

(iv) Such further orders, directions or relief that the Court deems fit and appropriate.

(v) Costs to be paid by the Company to the Plaintiffs.

The Company had given instructions to its solicitors to file reply to the Plaintiffs' affidavit and to defend the Company in the said application.

The Court has fixed for 14 June 2010 for hearing of the Plaintiffs' application on the above mentioned civil suit.

There are no other changes in contingent liabilities since the last annual balance sheet as at 31 December 2009. The Group does not have any contingent assets.

14. Capital Commitments

	As at 31/03/2010 RM'000	As at 31/03/2009 RM'000
Capital expenditure approved and contracted for: Property, plant and equipment	<u>35,265</u>	<u>32,477</u>
Capital expenditure approved but not contracted for: Property, plant and equipment	<u>134,812</u>	<u>148,457</u>

15. Performance Review

Group's revenue for the quarter increased by 5.88% to RM778.6 million as compared to RM735.4 million recorded for the corresponding quarter last year. The increase is mainly due to the higher volume of rice sales.

The Group has recorded profit after tax of RM42.7 million for the quarter as compared to RM12.4 million profit for the corresponding quarter last year. The increase is mainly due to the higher sales of rice.

16. Comments on Material Changes in Profit Before Taxation

The Group recorded profit before tax of RM48.7 million for the quarter ended 31 March 2010, a decrease of 8.8% as compared to the profit before tax of RM52.9 million for the previous fourth quarter of 2009. The decrease in profitability is mainly due to the higher cost of rice recorded in the first quarter as compared to previous quarter.

17. Commentary on Prospects

BERNAS Group is expected to continue with its favourable performance in 2010 with the anticipated stability of international rice prices and supply this year.

18. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of the actual profit after tax and minority interest and shortfall in profit guarantees are not applicable to the Company.

19. Taxation

	As at 31/03/2010 RM'000	As at 31/03/2009 RM'000
Tax expense/(credit) for the period:-		
- Malaysian Income Tax	2,906	1,702
- Deferred tax	<u>3,130</u>	<u>(10,895)</u>
	<u>6,036</u>	<u>(9,193)</u>

The effective tax rates for the current quarter ended 31 March 2010 is lower than the statutory tax rate applicable to the Group due to deferred tax recognised from the unrealised gain on inventories.

20. Sale of Unquoted Investments and Properties

During the first quarter, the Group has sold the unquoted investment in associate companies for the price consideration of RM4.2 million.

21. Marketable Securities

There are no sales or purchases of marketable securities for the current quarter.

22. Corporate Proposals

There are no new corporate developments since the date of the previous announcement.

23. Borrowings and Debt Securities

	As at 31/03/10 RM'000	As at 31/03/09 RM'000
Short Term Borrowings:-		
Secured	33,164	5,693
Unsecured	1,015,037	754,875
	<u>1,048,201</u>	<u>760,568</u>
Long Term Borrowings		
Secured	8,244	12,228
	<u>1,056,445</u>	<u>772,796</u>

All the above borrowings are denominated in Ringgit Malaysia.

24. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 31 March 2010.

25. Changes in Material Litigation

As at 31 March 2010, there were no changes in material litigation, including status of pending material litigation since the last annual balance sheet date of 31 December 2009 other than as disclosed in Note 13.

26. Dividend

At the forthcoming Annual General Meeting of the Company, a final dividend of 12% per ordinary share less tax of 25% on 470,401,501 ordinary shares in respect of the financial year ended 31 December 2009 amounting to RM42,336,000 will be proposed for shareholders' approval. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

27. Earnings Per Share

Earnings-per-share ("EPS") is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	As at 31/03/10	As at 31/03/09
Net profit for the period (RM'000)	40,637	10,192
Weighted average number of ordinary shares in issue ('000)	<u>470,402</u>	<u>470,402</u>
Basic earnings per share (sen)	<u>8.64</u>	<u>2.17</u>

28. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 May 2010.

BY ORDER OF THE BOARD

NASLIZA MOHD NASIR
COMPANY SECRETARY
PADIBERAS NASIONAL BERHAD