

**SARAWAK PLANTATION BERHAD  
RELATED PARTY TRANSACTION – SUPPLY, INSTALLATION, CONFIGURE, TESTING  
AND COMMISSIONING OF WIDE AREA NETWORK (WAN) BY DANAWA RESOURCES  
SDN. BHD.**

**1. INTRODUCTION**

Pursuant to paragraph 10.08(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Bhd. (Bursa Malaysia), the Board of Directors of Sarawak Plantation Berhad (SPB) wishes to announce that Sarawak Plantation Agriculture Development Sdn. Bhd. (SPAD), its wholly owned subsidiary, had on 24 October 2012 executed a contract with Danawa Resources Sdn. Bhd. (Danawa) to supply, install, configure, test and commission WAN infrastructure (WAN Infrastructure) for a total consideration of RM334,106-30 only. Danawa is a related party because Datuk Amar Abdul Hamed bin Sepawi, the Chairman of SPB is also a director of Danawa and its majority shareholder and Encik Polit bin Hamzah, a director of SPB, is also a director of Danawa.

**2. DETAILS OF THE RELATED PARTY TRANSACTION**

**2.1 Particulars of WAN Infrastructure**

WAN Infrastructure is intended to meet the increasing needs of the Group for faster and real time data transfer between estates, mills, the Group's Miri Head Office and its Corporate Office. For this reason WAN Infrastructure will be installed at the Group's Miri Head Office, its Corporate Office at Kuching, its SP Lab at Kuching and all its 17 Operating Units, namely the estates and mills.

**2.2 Basis of Arriving at the Purchase Consideration for WAN Infrastructure**

The purchase consideration of RM334,106-30 for WAN Infrastructure was arrived at through an open tender. Danawa was the lowest bidder.

**2.3 Source of Funding**

The purchase consideration of RM334,106-30 for WAN Infrastructure shall be funded from internally generated funds.

**2.4 Information on Danawa**

Danawa is a company incorporated in Malaysia wherein its nature of business is to own or provide network facilities. The directors and shareholders of Danawa are as follows:

*DIRECTORS*

- (i) Datuk Amar Abdul Hamed bin Sepawi;
- (ii) Abdul Rahman bin Mohd Sepawi;
- (iii) Chan Peng Kian; and

(iv) Polit bin Hamzah.

#### SHAREHOLDERS

	Number of Shares
Datuk Amar Abdul Hamed bin Sepawi	24,999,999
Abdul Rahman bin Mohd Sepawi	1
Total Number of Shares	<u>25,000,000</u>

Datuk Amar Abdul Hamed bin Sepawi, the Chairman of SPB is also a director of Danawa and its majority shareholder and Encik Polit bin Hamzah, a director of SPB, is also a director of Danawa.

#### 2.5 Highest Percentage Ratio

The highest percentage ratio applicable to this related party transaction pursuant to paragraph 10.02(g) of the MMLR is 0.06 %.

#### 2.6 Amount Transacted with the Related Party

Save for this transaction and the mandate granted by the shareholders of SPB at the last Annual General Meeting held on 15 June 2012, neither SPB nor any of its subsidiaries have entered into any other transaction with the related party within the preceding 12 months.

### 3. RATIONALE FOR THE RELATED PARTY TRANSACTION

Upon close of the open tender, a commercial evaluation was carried out based on lump sum and the lowest bidder who conformed to the technical specifications. Danawa was the lowest bidder who conformed to the technical specifications.

### 4. EFFECTS OF THE RELATED PARTY TRANSACTION

#### 4.1 Share Capital and Substantial Shareholders' Shareholding

This related party transaction does not involve any issuance of new shares in the Company and therefore will not have any effect on the share capital and substantial shareholders' shareholding in the Company.

#### 4.2 Earnings

This related party transaction is not expected to have any material impact on the earning of SPB and its Group of Companies for the financial year ending 31 December 2012.

#### 4.3 Net Assets and Gearing

This related party transaction is not expected to have any material effect on the net assets and gearing of SPB and its Group of Companies.

**5. APPROVAL REQUIRED**

This related party transaction does not require the approval of the shareholders of the Company nor any relevant authority.

**6. ESTIMATED TIME FRAME TO COMPLETE THE RELATED PARTY TRANSACTION**

Barring any unforeseen circumstances, the implementation of this related party transaction is expected to be completed by 31 December 2012.

**7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM**

Save for Datuk Amar Abdul Hamed bin Sepawi (the Chairman of SPB who is also a director of Danawa and its majority shareholder) and Encik Polit bin Hamzah (who is a director of SPB and also a director of Danawa), none of the Directors and / or major shareholders and / or persons connected to the Directors and / or major shareholders of the Company has any interest, direct or indirect, in this related party transaction.

**8. STATEMENT BY THE AUDIT COMMITTEE**

The Audit Committee of the Company (save for Encik Polit bin Hamzah, who abstained from deliberation and decision), after taking into consideration all aspects of this related party transaction is of the opinion that this related party transaction is fair, reasonable and on normal commercial terms, is in the best interest of the Company and not detrimental to the interest of the minority shareholders and therefore had recommended it to the Board of Directors for approval.

**9. DIRECTORS' OPINION**

The Board of Directors (save for Datuk Amar Abdul Hamed bin Sepawi and Encik Polit bin Hamzah, both of whom abstained from deliberation and decision), after taking into consideration all aspects of this related party transaction is of the opinion that this related party transaction is fair, reasonable and on normal commercial terms, is in the best interest of the Company and not detrimental to the interest of the minority shareholders.

**This announcement is dated 24 October 2012.**