

SARAWAK OIL PALMS BERHAD

(Incorporated in Malaysia – 7949-M)

INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

(The figures have not been audited)

Condensed Consolidated Statement of Financial Position**As at 31 March 2013**

	Note	31 March 2013 RM'000	31 December 2012 RM'000
ASSETS			
Non-current Assets			
Property, plant and equipment	A1	993,342	986,297
Plantation development expenditure	A1	567,248	563,224
Land held for property development		18,751	18,538
Land use rights	A1	4,053	4,023
Investment in associate		8,305	8,005
Other receivables		-	32
Intangible assets		5,182	5,182
Deferred tax assets		20,705	17,591
		<u>1,617,586</u>	<u>1,602,892</u>
Current Assets			
Inventories		150,484	228,476
Trade and other receivables		114,913	79,432
Cash and bank balances		491,373	569,835
		<u>756,770</u>	<u>877,743</u>
TOTAL ASSETS		<u>2,374,356</u>	<u>2,480,635</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		436,810	436,548
Share premium		9,004	8,828
Other reserve		3,753	3,244
Hedging reserve		(417)	(575)
Retained earnings		726,486	915,916
		<u>1,175,636</u>	<u>1,363,961</u>
Non-controlling interest		<u>95,137</u>	<u>126,404</u>
Total equity		<u>1,270,773</u>	<u>1,490,365</u>
Non-current liabilities			
Deferred tax liabilities		124,239	124,439
Borrowings	B8	549,131	417,625
Derivative Financial Instruments	B9	547	513
		<u>673,917</u>	<u>542,577</u>
Current liabilities			
Borrowings	B8	290,432	226,929
Trade and other payables		138,107	219,392
Current tax payable		706	706
Derivative Financial Instruments	B9	421	666
		<u>429,666</u>	<u>447,693</u>
Total liabilities		<u>1,103,583</u>	<u>990,270</u>
TOTAL EQUITY AND LIABILITIES		<u>2,374,356</u>	<u>2,480,635</u>
Net assets per share (RM)		2.69	3.12

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this report)

SARAWAK OIL PALMS BERHAD
(Incorporated in Malaysia – 7949-M)

**Condensed Consolidated Statement of Comprehensive Income
For the Three-Months Period Ended 31 March 2013**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended		3 months ended	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
Continuing Operations					
Revenue		427,058	228,783	427,058	228,783
Operating expenses		(391,969)	(170,807)	(391,969)	(170,807)
Other operating income		2,803	3,320	2,803	3,320
Administrative expenses		(2,912)	(2,225)	(2,912)	(2,225)
Finance costs		(5,976)	(1,761)	(5,976)	(1,761)
Share of results of an associate		300	-	300	-
Profit before tax		<u>29,304</u>	<u>57,310</u>	<u>29,304</u>	<u>57,310</u>
Taxation	B6	(7,501)	(14,364)	(7,501)	(14,364)
Profit for the period		<u>21,803</u>	<u>42,946</u>	<u>21,803</u>	<u>42,946</u>
Other comprehensive income:					
Net changes in fair value of derivatives	B9	158	46	158	46
Other comprehensive income for the period, net of tax		<u>158</u>	<u>46</u>	<u>158</u>	<u>46</u>
Total comprehensive income for the period		<u>21,961</u>	<u>42,992</u>	<u>21,961</u>	<u>42,992</u>
Profit attributable to:					
Owners of the parent		21,088	39,709	21,088	39,709
Non-controlling interest		715	3,237	715	3,237
		<u>21,803</u>	<u>42,946</u>	<u>21,803</u>	<u>42,946</u>
Total comprehensive income attributable to:					
Owners of the parent		21,246	39,738	21,246	39,738
Non-controlling interest		715	3,254	715	3,254
		<u>21,961</u>	<u>42,992</u>	<u>21,961</u>	<u>42,992</u>
Earning per share attributable to Equity holders of the parent (Sen):					
Basic	B12	<u>4.83</u>	<u>9.13</u>	<u>4.83</u>	<u>9.13</u>
Diluted	B12	<u>4.77</u>	<u>8.98</u>	<u>4.77</u>	<u>8.98</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this report)

SARAWAK OIL PALMS BERHAD

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**Condensed Consolidated Statement of Changes in Equity
For the Three-Months Period Ended 31 March 2013**

	Attributable to Equity Holders of the Parent							
	←	←	Non-Distributable			→		→
	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Share premium RM'000	Employee share option reserve RM'000	Hedge reserve RM'000	Retained earnings RM'000	Minority interest RM'000
At 1 January 2013	1,490,365	1,363,961	436,548	8,828	3,244	(575)	915,916	126,404
Total comprehensive income	21,961	21,246	-	-	-	158	21,088	715
Transactions with owners								
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	438	438	262	176	-	-	-	-
Share option granted under ESOS:								
Recognised in profit or loss	509	509	-	-	509	-	-	-
Acquisition of shares from Non-controlling Interest	(242,500)	(210,518)	-	-	-	-	(210,518)	(31,982)
At 31 March 2013	<u>1,270,773</u>	<u>1,175,636</u>	<u>436,810</u>	<u>9,004</u>	<u>3,753</u>	<u>(417)</u>	<u>726,486</u>	<u>95,137</u>
At 1 January 2012	1,340,557	1,217,615	434,477	5,813	2,698	(860)	775,487	122,942
Total comprehensive income	164,041	159,411	-	-	-	285	156,776	6,980
Transactions with owners								
Issuance of ordinary shares to Non-controlling interests	35	-	-	-	-	-	-	35
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	3,512	3,512	2,072	1,440	-	-	-	-
Share option granted under ESOS:								
Recognised in profit or loss	2,121	2,121	-	-	2,121	-	-	-
Dividends on ordinary shares	(16,360)	(16,360)	-	-	-	-	(16,360)	-
Dividend paid to non-controlling interest	(3,540)	-	-	-	-	-	-	(3,540)
Exercise of ESOS	-	-	-	1,575	(1,575)	-	-	-
Adjustment due to increase in equity in a Subsidiary	-	13	-	-	-	-	13	(13)
At 31 December 2012	<u>1,490,365</u>	<u>1,363,961</u>	<u>436,548</u>	<u>8,828</u>	<u>3,244</u>	<u>(575)</u>	<u>915,916</u>	<u>126,404</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this report)

SARAWAK OIL PALMS BERHAD

(Incorporated in Malaysia – 7949-M)

**Condensed Consolidated Cash Flow Statement
For the Three-Months Period Ended 31 March 2013**

	Note	31 March 2013 RM'000	31 March 2012 RM'000
Operating activities			
Profit before tax		29,304	57,310
Adjustments for non-cash flow items:			
Depreciation and amortisation of property, plant and equipment		19,172	14,966
Employee expenses under ESOS		509	398
Gain on disposal of property, plant and equipment		(136)	-
Property, plant and equipment written off		4	2
Interest income		(2,928)	(3,042)
Interest expenses		5,976	1,761
Share of results of an associate		300	-
		<hr/>	<hr/>
Operating profit before working capital changes		51,601	71,395
Decrease/(Increase) in inventories		77,391	(38,074)
(Increase)/Decrease in trade and other receivables		(33,417)	32,090
Decrease in trade and other payables		(79,106)	(44,071)
		<hr/>	<hr/>
Cash generated from operations		16,469	21,340
Tax paid		(15,514)	(29,429)
		<hr/>	<hr/>
Net cash flows from/(used in) operating activities		955	(8,089)
		<hr/>	<hr/>
Investing activities			
Acquisition of property, plant and equipment		(26,720)	(37,811)
Proceeds from disposal of property, plant and equipment		138	-
Interest received		2,928	3,042
Acquisition of shares from non-controlling interest		(242,500)	-
		<hr/>	<hr/>
Net cash used in investing activities		(266,154)	(34,769)
		<hr/>	<hr/>
Financing activities			
Net changes in trade facilities		65,070	-
Proceeds from loans and borrowings		140,919	27,000
Proceeds from issuance of share capital		439	1,643
Dividend paid to non-controlling interest		-	(300)
Repayment of hire purchase		(4,128)	(3,738)
Repayment of loans and borrowings		(8,849)	(4,894)
Interest paid		(6,714)	(3,677)
		<hr/>	<hr/>
Net cash from financing activities		186,737	12,034
		<hr/>	<hr/>
NET DECREASE IN CASH AND CASH EQUIVALENTS		(78,462)	(30,824)
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		569,835	510,774
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD		491,373	479,950
		<hr/> <hr/>	<hr/> <hr/>

SARAWAK OIL PALMS BERHAD

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**Condensed Consolidated Cash Flow Statement
For the Three-Months Period Ended 31 March 2013**

	Note	31 March 2013 RM'000	31 March 2012 RM'000
Cash and cash equivalents at the end of the financial period comprised the following:			
Wholesale money market deposits		142,720	44,100
Fixed deposits with licensed banks		259,157	371,191
Cash on hand and at bank		89,496	64,659
Cash and bank balances		491,373	479,950

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this report)

SARAWAK OIL PALMS BERHAD

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Explanatory Notes To The Interim Report – 31 March 2013

A. FRS (Financial Reporting Standards) 134 – Paragraph 16

A1. Accounting policies

The interim financial statements have been prepared under the historical cost convention except for the revaluation of leasehold land.

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of FRS 134 – Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the last audited financial statements for the financial year ended 31 December 2012.

The Company has applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board effective for annual periods beginning on 1 January 2011:-

Amendments to FRS 132: Classification of Rights issues

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations

Amendments to FRS 2: Share-based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 127: Consolidated and Separate Financial statements

Amendments to FRS 138: Intangible Assets

Amendment to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Agreements

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1: Additional Exemptions for First-time Adopters

Amendments to FRS 2: Group Cash-settled Share-Based Payment Transactions

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS ‘Improvements to FRS (2010)’

IC Interpretation 4 : Determining Whether An Arrangement Contains a Lease

IC Interpretation 18: Transfers of Assets from Customers

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities other than Private Entities for financial year beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venture (herein called ‘Transitioning Entities’)

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for financial year beginning on or after 1 January 2014.

Explanatory Notes To The Interim Report – 31 March 2013

A1. Accounting policies (Continued)

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS framework in its first MFRS financial statements for the financial year ended 31 December 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and Relevant Accounting Standards under the new MFRS Framework. Accordingly, the consolidated financial performance and financial position disclosed in these financial statements for the financial year ended 31 December 2012 could be different if prepared under the new MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ended 31 December 2014.

A2. Disclosure of audit report qualification and status of matters raised

There were no qualifications in the audit report on the preceding annual financial statements.

A3. Seasonality or cyclicity of interim operations

The Group's performance is subjected to the cropping pattern which normally reaches its peak at the second half of the year.

A4. Unusual Items affecting assets, liabilities, equity, net income, or cash flow

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual in nature, size, or incidence during the interim period under review.

A5. Material changes in estimates

There were no changes in estimates of amounts reported in prior interim periods or changes in estimates of amounts reported in prior financial years, which have a material effect in the current interim period.

A6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities during the current quarter other than the listing and quotation of 262,150 shares exercised under the Employees' Share Options Scheme.

A7. Dividends paid

There was no dividend paid during the interim period under review.

A8. Segment Information

No segment analysis is prepared as the Company is primarily engaged in the oil palm industry in Malaysia.

A9. Valuation of property, plant and equipment

There were no amendments in the valuations of property, plant and equipment brought forward from previous annual financial statements.

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Explanatory Notes To The Interim Report – 31 March 2013

A10. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A11. Changes in the composition of the Group

On 10 January 2013, the Company has completed the acquisition of the remaining 40% equity interest in SOP Beluru for a total cash consideration of RM122.4 million and remaining 35% equity interest in SOP Kemena for a total cash consideration RM120.1 million. Following the completion, both SOP Beluru and SOP Kemena is now wholly owned subsidiary of the Company.

Save for the above-mentioned, 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 for the current interim period.

A12. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 31 March 2013 except the corporate guarantee favouring the banks for the banking facilities given to the subsidiary companies as follows:-

	Value of Guarantee	Balance Unutilized 31 March 2013
Subsidiary # 1	RM10.0 million	RM3.0 million
Subsidiary # 2	RM59.0 million	RM41.2 million
Subsidiary # 2	RM235.0 million	RM19.9 million

A13. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment and for plantation development expenditure not provided for in the financial statements as at 31 March 2013 is as follows:-

	31 March 2013 RM'000
Property, plant and equipment	
Authorised but not contracted	144,425
Contracted but not provided in the financial statements	86,383
	<u>230,808</u>
Plantation Development Expenditure	
Authorised but not contracted	43,262
Contracted but not provided in the financial statements	3,256
	<u>46,518</u>

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Explanatory Notes To The Interim Report – 31 March 2013

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Review of Performance

1st Quarter FY2013 (“Q1FY2013”) vs 1st Quarter FY2012 (“Q1FY2012”)

The Group registered total revenue of RM427.1 million for Q1FY2013 compared with RM228.8 million reported in Q1FY2012, representing an increase of RM198.3 million or 86.7% against corresponding quarter last year. The significant revenue increase was mainly attributed to commencement of refinery activities since third quarter 2012.

The Group profit before taxation nevertheless eased to RM29.3 million, which was 48.9% lower than RM57.3 million reported in Q1FY2012 due principally to the softening average Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) realized price. In addition, the losses from subsidiaries having young mature area have contributed to the lower profit despite increase of Fresh Fruit Bunch (“FFB”) production for the reporting quarter.

B2. Variation of Results to Preceding quarter

1st Quarter 2013 (“Q1FY2013”) vs 4th Quarter FY2012 (“Q4FY2012”)

The Group posted total revenue of RM427.1 million in Q1FY2013 compared with RM376.6 million reported in Q4FY2012.

In line with the higher revenue, profit before tax improved sequentially from RM28.3 million to RM29.3 million for the reporting quarter. The improved performance was due to higher palm products sales volume achieved. For the quarter under review, CPO and PK realized price was shown below:

	Q1FY 2013	Q4FY 2012
Crude Palm Oil (RM/mt ex-mill)	2,067	2,010
Palm Kernel (RM/mt ex-mill)	1,088	980

B3. Prospect

The performance of the Group would continue to be driven by the CPO price movement which is dependant on the world edible oil market conditions.

Given the uncertainties of current global economic climate and high CPO stockpile in hand, the Group would not expect a significant reversal at current price trend. Therefore, the Group would continue to operate within narrow margin. The management would stay focus on the current operation and strive to achieve maximum margin by consolidating the operational efficiency. Premised on the above mentioned, the Group foresees performance for the year 2013 shall be consistent with the other plantation companies.

B4. Variance of actual profit from forecast profit

The disclosure requirement for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

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Explanatory Notes To The Interim Report – 31 March 2013**B5. Profit before tax**

Profit before tax is arrived at after charging/(crediting):-

	Individual quarter 3 months ended 31 March		Cumulative quarter 3 months ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Depreciation and amortization	19,172	14,966	19,172	14,966
Property, plant and equipment written off	4	2	4	2
Interest income	(2,928)	(3,042)	(2,928)	(3,042)
Interest expenses	5,976	1,761	5,976	1,761
Gain on derivatives	158	46	158	46
	<u>19,172</u>	<u>14,966</u>	<u>19,172</u>	<u>14,966</u>

B6. Taxation

Current tax expenses	10,521	13,778	10,521	13,778
Deferred tax	(3,020)	586	(3,020)	586
	<u>7,501</u>	<u>14,364</u>	<u>7,501</u>	<u>14,364</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	<u>53</u>	<u>15</u>	<u>53</u>	<u>15</u>

The Group's effective tax rate is approximately at the prevailing corporate tax rate of 25%.

B7. Status of corporate proposal announced

There is no corporate proposal announced but not completed as at the date of issuance of this report except for the following:-

Joint Venture with Pelita Holdings Sdn Bhd ("PHSB) to undertake NCR project

On 25 October 2011, the Company entered into a joint venture agreement with PHSB to develop an area under Native Customary Rights ("NCR") of 1,645 hectares situated at Sungai Arang, Bakong, Baram, Miri Division, of which approximately 987 hectares are plantable. A joint venture company ("JVC") named as SOP Pelita Sg Arang Plantation Sdn Bhd has been incorporated on 25th October 2011.

Meanwhile, PHSB is conducting landbank creation on the ground. The Company will not proceed with the development unless and until sufficient land bank is made available.

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Explanatory Notes To The Interim Report – 31 March 2013**B8. Borrowing and debt securities****31 March 2013
RM'000**

Current	
Secured	290,010
Unsecured	422
Non-current	
Secured	420,122
Unsecured	129,009
Total	839,563

The above borrowings are denominated in Ringgit Malaysia.

B9. Derivatives financial instruments

(a) The outstanding interest rate swap (IRS) contracts as at 31 March 2013 are as follows:-

	Contract/Notional Value (Million)					Fair Value (RM'000)			
	Base Currency	<1 year	1 year to 3 years	More than 3 years	Total	<1 year	1 year to 3 years	More than 3 years	Total
Interest rate swap	RM	37	8	17	62	(421)	(337)	(210)	(968)

The Group uses IRS to manage part of its exposure to interest rate movements on its bank borrowings by swapping a proportion of its borrowings from floating rates to fixed rates and is designated as cash flow hedges. The fair value of IRS is measured at the present value of future cash flows estimated and discounted based on quoted interest rates. The IRS would reduce the group's cash flow exposure resulting from interest rate fluctuation. It satisfies the criteria for cash flow hedges and accordingly hedge accounting is applied.

Explanatory Notes To The Interim Report – 31 March 2013

B10. Changes in material litigation

- (a) On 30th September 2010, SOP Plantations (Borneo) Sdn Bhd, a subsidiary of the Company had been served with a Writ of Summons (“**the Writ**”) in the High Court of Sabah and Sarawak at Bintulu under Suit No.21-06-2010(BTU) (“**Douglas Ding Suit**”) wherein it was named as the Fifth (5th) defendant along with other defendants which include Government of Sarawak, Director of Forests, Superintendent of Land & Surveys, Kapit and Pusaka KTS Forests Plantation Sdn Bhd. The Douglas Ding Suit was instituted by Douglas Ding Jangan and 4 others, suing on behalf of themselves and also as representatives of all the residents of Uma Long Bangan claiming a declaration that they have acquired and/or created NCR over all that parcel of land described as Lot 10 Punan Land district and other related reliefs.

SOP Plantations (Borneo) Sdn Bhd has filed its Statement of Defence dated 15th October 2010 and amended Statement of Defence dated 3 January 2012 (pursuant to Court Order granted on 9th December 2011).

Pusaka KTS Forests Plantation Sdn Bhd, being the Fourth (4th) Defendant, has subsequently filed an application to the High Court dated 21st September 2012, alleging that there is an overlapping claim by the plaintiffs in this present matter and the other claimants in Suit no. BTU-21-4/2-2012 (TR Nyipa Anak Tingang vs Pusaka KTS Forest Plantation Sdn Bhd & OtherS) and the Fourth (4th) Defendant seeks to apply for a joint trial for these two (2) matters, which is contested by the plaintiffs and the said application is adjourned to 30th November 2012 for hearing by the High Court pending exchange of affidavits between the parties and SOP Plantations (Borneo) Sdn Bhd has informed the High Court that it has no objection to the said application.

The Court having heard the pre-trial case management on 31st January 2013 had fixed 6th to 9th May 2013 for trial.

- (b) On 27th April 2012, SOP Kemena, a subsidiary of the Company had been served with the Writ in the High Court of Sabah and Sarawak at Kuching under Suit No.KCH-21-5/4-2012 (“**Adang’s Suit**”) wherein SOP Kemena was named as the Third (3rd) Defendant along with other defendants which include the State Government of Sarawak and Superintendent of Land & Surveys, Bintulu. The Adang’s Suit was instituted by Adang Anak Jirau and 2 others (Representing themselves and 23 other landowners, occupiers and/or proprietors of NCR land from Rh. Jabu Anak Encharang, Sg. Sebajo, Labang, Bintulu) claiming that they are the owner of 16 plots of native titled land which are identified by the plaintiffs and lands and surveys to be Lots 239, 240, 241, 242, 243, 244, 245, 262, 263, 264, 265, 266, 267, 268, 269 and 290 Lavang Land District within all that parcel of lands described as Lot 2, Block 14 of Lavang Land District and Lot 68 Block 3 Pandan Land District and the total area of the 16 plots of land and NCR land claimed by the plaintiffs is approximately 653.4 hectares or 1,614.5 acres and that SOP Kemena has used, planted and/or trespass into the plaintiffs’ lands without consent.

SOP Kemena has filed its Statement of Defence dated 25th July 2012.

The Court had directed the Plaintiff to file pre-trial case management within 7 days from 4th February 2013. Subsequent to the case mention on 5th March 2013, no further date had been fixed by the court to attend the pre-trial case management.

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Explanatory Notes To The Interim Report – 31 December 2012

B10. Changes in material litigation (Continued)

- (c) On 18 May 2012, SOP Beluru, a subsidiary of the Company, had been served with the Writ of Summons in the High Court of Sabah and Sarawak at Miri under Suit No.MYY-21-6/5-2012 (“**Fauzi’s Suit**”) wherein SOP Beluru was named as the Fifth (5th) Defendant along with other defendants which include the Superintendent of Lands and Surveys Miri Division, Director of Land and Surveys Sarawak, Government of the State of Sarawak, Woodijaya Sdn Bhd. The Fauzi’s Suit was instituted by Fauzi Bin Haji Hosen and others, suing on behalf of 6 Kampung and 2 longhouses in Baram, Marudi (Kampung Dagang, Kampung Narum, Kampung Baru, Kampung Pemindahan, Kampung Padang Kerbau, Kampung Lubok Nibong, Rumah Vincent Anak Kiu and Rumah Chabop Anak Diau) claiming NCR over the Provisional Lease, Lot 1207 Block 0 Puyut Land District and other related reliefs.

On 27 September 2012, SOP Beluru’s application under Order 14A of the Rules of High Court to strike out plaintiffs’ claim has been allowed. However, the plaintiffs have filed an appeal to the Court of Appeal and no date has been fixed by the Court of Appeal for the hearing of this matter.

B11. Dividends

Final dividend in respect of the financial year ended 31st December 2012, of 6% less 25% taxation on 436,548,459 ordinary shares, amounting to a dividend payable of RM19,644,681 (4.5 sen per ordinary share) has been proposed for shareholder approval at the forthcoming Annual General Meeting.

No interim dividend has been declared for the financial period ended 31 March 2013 (31 March 2012: Nil).

SARAWAK OIL PALMS BERHAD

(Incorporated in Malaysia – 7949-M)

Explanatory Notes To The Interim Report – 31 March 2013**B12. Earnings per share***Basic earnings per share*

The calculation of basic earnings per share for the quarter is based on the profit attributable to equity holders of the parent of RM21.1 million and on the weighted average number of ordinary shares of RM1 each in issue during the period of 436,571,537.

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Profit attributable to ordinary equity holders of the parent	21,088	39,709	21,088	39,709
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2013 '000	31.3.2012 '000	31.3.2013 '000	31.3.2012 '000
Weighted average number of Ordinary shares in issue	436,571	434,884	436,571	434,884
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2013 Sen	31.3.2012 Sen	31.3.2013 Sen	31.3.2012 Sen
Basic earning per share	4.83	9.13	4.83	9.13

Diluted earnings per share

The diluted earning per share for the quarter is based on the profit attributable to equity holders of the parent of RM21.1 million and on the weighted average number of ordinary shares of RM1 each in issue during the period of 442,502,406.

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2013 RM'000	31.3.2012 RM'000	31.3.2013 RM'000	31.3.2012 RM'000
Profit attributable to ordinary equity holders of the parent	21,088	39,709	21,088	39,709
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2013 '000	31.3.2012 '000	31.3.2013 '000	31.3.2012 '000
Weighted average number of ordinary shares in issue	442,502	442,222	442,502	442,222
	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2013 Sen	31.3.2012 Sen	31.3.2013 Sen	31.3.2012 Sen
Diluted earning per share	4.77	8.98	4.77	8.98

SARAWAK OIL PALMS BERHAD

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Explanatory Notes To The Interim Report – 31 March 2013

B13. Authorised for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 26th April 2013.

By Order of the Board

Eric Kiu Kwong Seng

Company Secretary

Miri

26th April 2013