



## INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2013

(The figures have not been audited)

### Condensed Consolidated Statement of Financial Position as at 31 December 2013

	Note	31 December 2013 RM'000	31 December 2012 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	A1	1,052,250	986,297
Plantation development expenditure	A1	583,396	563,224
Land held for property development		22,188	18,538
Land use rights	A1	8,926	4,023
Investment in associate		9,474	8,005
Other receivables		-	32
Intangible assets		5,182	5,182
Deferred tax assets		32,697	17,591
		<u>1,714,113</u>	<u>1,602,892</u>
<b>Current Assets</b>			
Inventories		167,888	228,476
Trade and other receivables		108,816	79,432
Cash and bank balances		472,825	569,835
		<u>749,529</u>	<u>877,743</u>
<b>TOTAL ASSETS</b>		<u>2,463,642</u>	<u>2,480,635</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		438,253	436,548
Share premium		11,423	8,828
Other reserve		4,271	3,244
Hedging reserve		(377)	(575)
Translation reserve		1	-
Retained earnings		783,534	915,916
		<u>1,237,105</u>	<u>1,363,961</u>
<b>Non-controlling interest</b>		<u>94,466</u>	<u>126,404</u>
<b>Total equity</b>		<u>1,331,571</u>	<u>1,490,365</u>

(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)



**Condensed Consolidated Statement of Financial Position as at 31 December 2013**

	<b>Note</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2012 RM'000</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		122,938	124,439
Loans and borrowings	B8	515,578	417,625
Derivative financial instruments	B9	379	513
		<u>638,895</u>	<u>542,577</u>
<b>Current liabilities</b>			
Loans and borrowings	B8	310,037	226,929
Trade and other payables		182,309	219,392
Income tax payable		706	706
Derivative financial instruments	B9	124	666
		<u>493,176</u>	<u>447,693</u>
<b>Total liabilities</b>		<u>1,132,071</u>	<u>990,270</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,463,642</u>	<u>2,480,635</u>
Net assets per share (RM)		2.82	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)



**Condensed Consolidated Statement of Comprehensive Income  
For the Twelve-Months Period Ended 31 December 2013**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		3 months ended 31 December		12 months ended 31 December	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
<b>Continuing Operations</b>					
Revenue		491,450	383,778	1,704,411	1,314,943
Operating expenses		(431,771)	(362,013)	(1,534,232)	(1,098,570)
Other operating income/(expenses)		2,273	7,560	9,232	18,335
Administrative expenses		(2,394)	(845)	(8,706)	(7,748)
Finance costs		(6,784)	(6,697)	(25,883)	(13,380)
Share of results of an associate		(246)	355	614	355
<b>Profit/(Loss) before tax</b>		<b>52,528</b>	<b>22,138</b>	<b>145,436</b>	<b>213,935</b>
Taxation	B6	(12,621)	(3,545)	(39,372)	(50,333)
<b>Profit/(Loss) for the period</b>		<b>39,907</b>	<b>18,593</b>	<b>106,064</b>	<b>163,602</b>
<b>Other comprehensive income:</b>					
Net changes in fair value of derivatives	B9	34	84	508	439
<b>Other comprehensive income for the period, net of tax</b>		<b>34</b>	<b>84</b>	<b>508</b>	<b>439</b>
<b>Total comprehensive income for the period</b>		<b>39,941</b>	<b>18,677</b>	<b>106,572</b>	<b>164,041</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent		36,503	22,299	97,254	156,776
Non-controlling interest		3,404	(3,706)	8,810	6,826
		<u>39,907</u>	<u>18,593</u>	<u>106,064</u>	<u>163,602</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		36,537	22,353	97,762	157,061
Non-controlling interest		3,404	(3,676)	8,810	6,980
		<u>39,941</u>	<u>18,677</u>	<u>106,572</u>	<u>164,041</u>
<b>Earning per share attributable to Equity holders of the parent (Sen):</b>					
Basic	B12	<u>8.30</u>	<u>5.14</u>	<u>22.23</u>	<u>36.00</u>
Diluted	B12	<u>8.21</u>	<u>5.17</u>	<u>21.97</u>	<u>35.50</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)



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

Attributable to Equity Holders of the Parent

	Equity, total	Equity attributable to owners of the parent, total	Share capital	Share premium	Non- Distributable Employee share option reserve	Hedge reserve	Foreign currency translation reserve	Distributable  Retained earnings	Minority interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	1,490,365	1,363,961	436,548	8,828	3,244	(575)	-	915,916	126,404
<b>Total comprehensive income</b>	106,572	97,762	-	-	-	508	-	97,254	8,810
Foreign currency translation	1	1	-	-	-	-	1	-	-
<b>Transactions with owners</b>									
Issuance of ordinary shares:									
Pursuant to exercise of ESOS	4,300	4,300	1,705	2,595	-	-	-	-	-
Share option granted under ESOS:									
Recognised in profit or loss	1,027	1,027	-	-	1,027	-	-	-	-
Dividends on ordinary shares	(19,693)	(19,693)	-	-	-	-	-	(19,693)	-
Dividends paid to non-controlling interest	(7,500)	-	-	-	-	-	-	-	(7,500)
Acquisition of shares from non-controlling interest	(242,500)	(210,253)	-	-	-	(310)	-	(209,943)	(32,248)
Redemption of preference share	(1,000)	-	-	-	-	-	-	-	(1,000)
<b>At 31 December 2013</b>	<u>1,331,571</u>	<u>1,237,105</u>	<u>438,253</u>	<u>11,423</u>	<u>4,271</u>	<u>(377)</u>	<u>1</u>	<u>783,534</u>	<u>94,466</u>

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



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

	Attributable to Equity Holders of the Parent							
	Equity, total	Equity attributable to owners of the parent, total	Share capital	Share premium	Non- Distributable Employee share option reserve	Hedge reserve	Distributable Retained earnings	Minority interest
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2012	1,340,557	1,217,615	434,477	5,813	2,698	(860)	775,487	122,942
<b>Total comprehensive income</b>	164,041	157,061	-	-	-	285	156,776	6,980
<b>Transactions with owners</b>								
Issuance of ordinary shares to Non-controlling interests	35	-	-	-	-	-	-	35
Issuance of ordinary shares: Pursuant to exercise of ESOS	3,511	3,511	2,071	1,440	-	-	-	-
Share option granted under ESOS: Recognized in profit or loss	2,121	2,121	-	-	2,121	-	-	-
Dividends on ordinary shares	(16,360)	(16,360)	-	-	-	-	(16,360)	-
Dividends 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)
<b>At 31 December 2012</b>	<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 conjunctions with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Cash Flow Statement  
For the Twelve-Months Period Ended 31 December 2013**

	Note	31 December 2013 RM'000	31 December 2012 RM'000
<b>Operating activities</b>			
Profit before tax		145,436	213,935
Adjustments for non-cash flow items:			
Depreciation and amortization of property, plant and equipment		78,689	63,407
Employee expenses under ESOS		2,368	2,121
(Gain)/Loss on disposal of property, plant and equipment		(2,375)	(559)
Property, plant and equipment written off		1,714	177
Plantation development expenditure written off		-	154
Inventory written off		22	154
Interest income		(11,588)	(12,709)
Interest expenses		25,883	13,380
Share of results of an associate		(614)	(355)
Unrealized (gain)/loss on foreign exchange		1,915	858
Impairment (gain)/loss on other receivables		-	2
Unrealized (gain)/loss on forward sales contracts		-	(1,429)
Operating profit before working capital changes		241,450	279,136
Decrease/(Increase) in inventories		59,128	(137,381)
(Increase)/Decrease in trade and other receivables		(36,604)	(4,405)
Decrease in trade and other payables		(36,596)	68,458
Cash generated from operations		227,378	205,808
Tax paid		(60,830)	(87,739)
<b>Net cash flows from/(used in) operating activities</b>		<b>166,548</b>	<b>118,069</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment		(130,377)	(164,880)
Additions of land for property development		(3,650)	(684)
Additions of plantation development expenditure		(26,476)	(56,373)
Additions in prepaid land lease payment		(1,130)	-
Increase in land held for property development		-	(10,186)
Investment in associate		(855)	(7,650)
Proceeds from disposal of property, plant and equipment		1,977	1,153
Interest received		11,588	12,709
Acquisition of shares from non-controlling interest		(242,500)	-
<b>Net cash used in investing activities</b>		<b>(391,423)</b>	<b>(225,911)</b>



**Condensed Consolidated Cash Flow Statement**  
**For the Twelve-Months Period Ended 31 December 2013**

	Note	31 December 2013 RM'000	31 December 2012 RM'000
<b>Financing activities</b>			
Net changes in trade facilities		336	-
Proceeds from loans and borrowings		237,726	277,221
Proceeds from issuance of share capital		4,300	3,511
Proceeds from issuance of preference share to Non-controlling interests		-	35
Proceeds from obligations under finance leases		-	526
Dividends paid		(27,193)	(19,900)
Repayment of hire purchase		(13,216)	(13,783)
Repayment of loans and borrowings		(52,787)	(56,146)
Interest paid		(20,301)	(23,681)
Redemption of preference share		(1,000)	-
<b>Net cash from financing activities</b>		<u>127,865</u>	<u>167,783</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		(97,010)	59,941
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		569,835	510,774
Effect of exchange rate changes on cash and cash equivalents		-	(880)
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>		<u><u>472,825</u></u>	<u><u>569,835</u></u>
Cash and cash equivalents at the end of the financial period comprised the following:			
Wholesale money market deposits		1,354	167,908
Fixed deposits with licensed banks		296,661	334,092
Cash in hand and at bank		174,810	67,835
Cash and bank balances		<u>472,825</u>	<u>569,835</u>

(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)



**Explanatory Notes To The Interim Report – 31 December 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 paragraph 9.22 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 2013:-

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards – Government Loans

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards (Improvements 2012 Cycle)

Amendments to FRS 7: Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

FRS 10: Consolidated Financial Statements

Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance (Improvements 2010-2012 Cycle)

FRS 11: Joint Arrangements

Amendments to FRS 11: Joint Arrangements: Transition Guidance (Improvements 2010-2012 Cycle)

FRS 12: Disclosure of Interest in Other Entities

Amendments to FRS 12: Disclosure of Interest in Other Entities: Transition Guidance (Improvements 2010-2012 Cycle)

FRS 13: Fair Value Measurement

Amendments to FRS 101: Presentation of Financial Statements (Improvements 2012 Cycle)

Amendments to FRS 116: Property, Plant and Equipment (Improvements 2012 Cycle)

FRS 119: Employee Benefits

FRS 127: Separate Financial Statements

FRS 128: Investments in Associates and Joint Ventures

Amendments to FRS 132: Financial Instruments: Presentation (Improvements 2012 Cycle)

Amendments to FRS 134: Interim Financial Reporting (Improvements 2010-2012 Cycle)





## **Explanatory Notes To The Interim Report – 31 December 2013**

### **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.

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 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 issuance, cancellations, repurchases, resale or repayment of debt and equity securities during the current quarter other than the listing and quotation of 233,900 shares exercised under the Employees’ Share Options Scheme.



**Explanatory Notes To The Interim Report – 31 December 2013**

**A7. Dividends paid**

In respect of financial year ended 31 December 2012, the company has declared first and final dividend of 6% less 25% tax amounting to RM19,692,745 paid on 23 July 2013.

**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.

**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**

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 December 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 December 2013
Subsidiary # 1	RM 10.0 million	RM - million
Subsidiary # 2	RM 59.0 million	RM 33.0 million
Subsidiary # 3	RM 270.0 million	RM 119.6 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 December 2013 is as follows:-

	<b>31 December 2013</b>
	<b>RM'000</b>
Property, plant and equipment	
Authorized but not contracted	97,432
Contracted but not provided in the financial statements	102,976
	<u>200,408</u>
Plantation Development Expenditure	
Authorized but not contracted	11,730
Contracted but not provided in the financial statements	950
	<u>12,680</u>



**Explanatory Notes To The Interim Report – 31 December 2013**

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

**B1. Review of Performance**

**4<sup>th</sup> Quarter FY2013 (“Q4FY2013”) vs 4<sup>th</sup> Quarter FY2012 (“Q4FY2012”)**

The Group registered a total revenue of RM491.5 million for Q4FY2013 compared with RM383.8 million reported in Q4FY2012, representing an increase of RM107.7 million or 28.1%.

Profit before tax for the quarter was RM52.5 million against RM22.1 million for corresponding quarter last year attributed principally to the higher realized prices and sales volume achieved for palm products.

**Current Year To Date FY2013 vs Preceding Year To Date FY2012**

The Group registered a total revenue of RM1,704.4 million for the twelve months ended 31 December 2013 against RM1,314.9 million reported in financial year 2012, representing an increase of 29.6%. The increase in revenue was mainly attributed to downstream activities which commenced operation in third quarter of 2012 and higher sales volume achieved for palm products.

Group profit before tax for the financial year ended 31 December 2013 however eased to RM145.4 million against RM213.9 million achieved during financial year 2012. The drop in profit before tax was due to lower palm products prices realized coupled with losses from subsidiaries having young mature areas.

**B2. Variation of Results to Preceding quarter**

**4<sup>th</sup> Quarter FY2013 (“Q4FY2013”) vs 3<sup>rd</sup> Quarter FY2013 (“Q3FY2013”)**

The Group posted total revenue of RM491.5 million in Q4FY2013 compared with RM471.9 million reported in Q3FY2013.

The Group reported a profit before tax of RM52.5 million in Q4FY2013 compared to RM59.0 million reported in Q3FY2013. The lower profit achieved was mainly due to lower FFB production and sales volume of palm products despite improvement in palm products realized prices. For the quarter under review, CPO and PK realized prices were as below:-

	<b>Q4FY 2013</b>	<b>Q3FY 2013</b>
Crude Palm Oil (RM/mt)	2,300	2,124
Palm Kernel (RM/mt)	1,468	1,237



**Explanatory Notes To The Interim Report – 31 December 2013**

**B3. Prospect**

The performance of the Group would continue to be driven by the CPO price movement which is dependent on the world edible oil market, movement of Ringgit Malaysia and economic situation.

**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.

**B5. Profit before tax**

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

	Individual quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31 December		31 December	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization	22,242	18,121	78,689	63,407
Property, plant and equipment written off	547	(21)	1,714	177
Plantation development expenditure written off	-	154	-	154
(Gain)/Loss on disposal of property, plant and equipment	(1,356)	(299)	(2,375)	(559)
Net unrealized foreign exchange loss/(gain)	2,401	858	5,481	858
Interest income	(2,899)	(3,227)	(11,588)	(12,709)
Interest expenses	6,784	6,697	25,883	13,380
Inventory written off	-	138	22	154

**B6. Taxation**

Current tax expenses	19,377	4,172	55,979	53,484
Deferred tax	(6,756)	(538)	(16,607)	(3,683)
Under provision in prior years	-	(89)	-	532
	<u>12,621</u>	<u>3,545</u>	<u>39,372</u>	<u>50,333</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	<u>50</u>	<u>28</u>	<u>169</u>	<u>146</u>

The Group's effective tax rate is higher than the prevailing corporate tax rate of 25% due to certain expenditure which are non-tax deductible.



**Explanatory Notes To The Interim Report – 31 December 2013**

**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 25 October 2011 and has been gazetted as deemed native company under section 9(1)(d) of the Land Code on 29 April 2013.

Unless sufficient land bank is created before 30 June 2014, the Company may decide not to proceed with the project.

**B8. Borrowing and debt securities**

	<b>31 December 2013</b>
	<b>RM’000</b>
Current	
Secured	281,171
Unsecured	28,866
Non-current	
Secured	445,898
Unsecured	69,680
Total	825,615

The above borrowings are denominated in Ringgit Malaysia.

**B9. Derivatives financial instruments**

(a) The outstanding interest rate swap (IRS) contracts as at 31 December 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	-	10	15	25	(124)	(324)	(55)	(503)

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 December 2013**

### **B10. Changes in material litigation**

- (a) On 30<sup>th</sup> 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 (5<sup>th</sup>) 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 15<sup>th</sup> October 2010 and amended Statement of Defence dated 3<sup>rd</sup> January 2012 (pursuant to Court Order granted on 9<sup>th</sup> December 2011).

Pusaka KTS Forests Plantation Sdn Bhd, being the Fourth (4<sup>th</sup>) Defendant, has subsequently filed an application to the High Court dated 21<sup>st</sup> 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 (4<sup>th</sup>) 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 30<sup>th</sup> 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 has fixed the continuation of trial for this matter on 3<sup>rd</sup> to 6<sup>th</sup> March 2014 .

- (b) On 27<sup>th</sup> 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 (3<sup>rd</sup>) 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.

The court had rescheduled the trial to 21<sup>st</sup> to 25<sup>th</sup> July 2014.

### **B11. Dividends**

No interim dividend has been declared for the financial year ended 31 December 2013 (31 December 2012 : Nil)



**Explanatory Notes To The Interim Report – 31 December 2013**

**B12. Earnings per share**

*Basic earnings per share*

The calculation of basic earnings per share is based on the profit/(loss) attributable to equity holders of the parent divided by the weighted average number of ordinary shares of RM1 each in issue during the period.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to ordinary equity holders of the parent	36,503	22,299	97,254	156,776
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Weighted average number of Ordinary shares in issue	439,576	436,531	437,443	435,976
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic earning per share	8.30	5.14	22.23	36.00

*Diluted earnings per share*

The diluted earning per share is based on the profit/loss attributable to equity holders of the parent divided by the weighted average number of ordinary shares of RM1 each in issue during the period.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to ordinary equity holders of the parent	36,503	22,299	97,254	156,776
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Weighted average number of Ordinary shares in issue	444,711	442,797	442,578	442,242
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Diluted earning per share	8.21	5.17	21.97	35.50



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

**Explanatory Notes To The Interim Report – 31 December 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 25 February 2014.

*By Order of the Board*  
Eric Kiu Kwong Seng  
Company Secretary  
Miri

**25 February 2014**