



**INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014**

(The figures have not been audited)

**Condensed Consolidated Statement of Financial Position as at 30 June 2014**

	Note	30 June 2014 RM'000	31 December 2013 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	A1	1,090,978	1,057,041
Plantation development expenditure	A1	580,471	581,321
Land held for property development		24,635	22,188
Land use rights	A1	4,479	4,368
Investment in associate		8,326	9,474
Intangible assets		5,182	5,182
Deferred tax assets		38,468	32,380
		1,752,539	1,711,954
<b>Current Assets</b>			
Inventories		185,071	168,021
Trade and other receivables		127,414	104,502
Cash and bank balances		512,512	482,671
		824,997	755,194
<b>TOTAL ASSETS</b>		2,577,536	2,467,148
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		439,267	438,253
Share premium		12,820	11,423
Other reserve		5,207	4,271
Hedging reserve		(330)	(376)
Translation reserve		(5)	-
Retained earnings		840,293	778,048
		1,297,252	1,231,619
<b>Non-controlling interest</b>		99,088	94,569
<b>Total equity</b>		1,396,340	1,326,188

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Financial Position as at 30 June 2014**

	<b>Note</b>	<b>30 June 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		123,891	123,602
Loans and borrowings	B8	543,076	515,112
Derivative financial instruments	B9	379	379
		<u>667,346</u>	<u>639,093</u>
<b>Current liabilities</b>			
Loans and borrowings	B8	355,462	310,524
Trade and other payables		157,620	188,877
Income tax payable		706	706
Derivative financial instruments	B9	62	1,760
		<u>513,850</u>	<u>501,867</u>
<b>Total liabilities</b>		<u>1,181,196</u>	<u>1,140,960</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,577,536</u>	<u>2,467,148</u>
Net assets per share attributable to owners of the Company (RM)		2.95	2.81

(The Condensed Consolidated Balance Sheet should be read in conjunction with the audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Comprehensive Income  
For the Six-Months Period Ended 30 June 2014**

	Note	INDIVIDUAL QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 6 months ended 30 June	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Continuing Operations</b>					
Revenue		655,345	313,990	1,201,984	741,048
Operating expenses		(602,263)	(305,185)	(1,089,831)	(697,154)
Other operating income/(expenses)		6,050	3,707	8,382	6,510
Administrative expenses		(2,903)	(1,883)	(5,189)	(4,795)
Finance costs		(8,273)	(6,255)	(16,829)	(12,231)
Share of results of an associate		456	279	(1,149)	579
<b>Profit/(Loss) before tax</b>		<b>48,412</b>	<b>4,653</b>	<b>97,368</b>	<b>33,957</b>
Taxation	B6	(13,281)	(2,946)	(26,264)	(10,447)
<b>Profit/(Loss) for the period</b>		<b>35,131</b>	<b>1,707</b>	<b>71,104</b>	<b>23,510</b>
<b>Other comprehensive income:</b>					
Net changes in fair value of derivatives	B9	23	158	46	316
Foreign exchange translation		(5)	-	(5)	-
<b>Other comprehensive income for the period, net of tax</b>		<b>18</b>	<b>158</b>	<b>41</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>35,149</b>	<b>1,865</b>	<b>71,145</b>	<b>23,510</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the parent		32,901	1,155	66,585	22,243
Non-controlling interest		2,230	552	4,519	1,267
		<b>35,131</b>	<b>1,707</b>	<b>71,104</b>	<b>23,510</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		32,919	1,313	66,626	22,559
Non-controlling interest		2,230	552	4,519	1,267
		<b>35,149</b>	<b>1,865</b>	<b>71,145</b>	<b>23,826</b>
<b>Earning per share attributable to Equity holders of the parent (Sen):</b>					
Basic	B12	7.50	0.26	15.18	5.09
Diluted	B12	7.40	0.26	14.99	5.03

(The Condensed Consolidated Income Statements should be read in conjunction with the audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity  
For the Six-Months Period Ended 30 June 2014**

Attributable to Equity Holders of the Parent

	Equity, total RM'000	Equity attributable to owners of the parent, total RM'000	Share capital RM'000	Share premium RM'000	Non- Distributable Employee share option reserve RM'000	Hedge reserve RM'000	Foreign currency translation reserve RM'000	Distributable	
								Retained earnings RM'000	Minority interest RM'000
<b>At 1 January 2014</b>	1,326,188	1,231,619	438,253	11,423	4,271	(376)	-	778,048	94,569
<b>Total comprehensive income</b>	71,145	66,626	-	-	-	46	(5)	66,585	4,519
<b>Transactions with owners</b>									
Issuance of ordinary shares:									
Pursuant to exercise of ESOS	2,411	2,411	1,014	1,397	-	-	-	-	-
Share option granted under ESOS:									
Recognized in profit or loss	936	936	-	-	936	-	-	-	-
Dividends paid to non-controlling interest	(4,340)	(4,340)	-	-	-	-	-	(4,340)	-
<b>At 30 June 2014</b>	<u>1,396,340</u>	<u>1,297,252</u>	<u>439,267</u>	<u>12,820</u>	<u>5,207</u>	<u>(330)</u>	<u>(5)</u>	<u>840,293</u>	<u>99,088</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 2013 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity  
For the Six-Months Period Ended 30 June 2014**

	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	Distributable		
						Hedge reserve	Retained earnings	Minority interest
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 January 2013</b>	1,490,365	1,363,961	436,548	8,828	3,244	(575)	915,916	126,404
<b>Total comprehensive income</b>	101,145	92,314	-	-	-	509	91,805	8,831
<b>Transactions with owners</b>								
Issuance of ordinary shares:								
Pursuant to exercise of ESOS	2,959	2,959	1,705	1,254	-	-	-	-
Share option granted under ESOS:								
Recognised in profit or loss	2,368	2,368	-	-	2,368	-	-	-
Exercise of ESOS	-	-	-	1,341	(1,341)	-	-	-
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	(243,456)	(243,456)	-	-	-	-	(243,456)	-
Adjustment due to changes in equity in subsidiaries	-	33,166	-	-	-	(310)	33,476	(33,166)
<b>At 31 December 2013</b>	<u>1,326,188</u>	<u>1,231,619</u>	<u>438,253</u>	<u>11,423</u>	<u>4,271</u>	<u>(376)</u>	<u>778,048</u>	<u>94,569</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 2013 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Cash Flow Statement  
For the Six-Months Period Ended 30 June 2014**

	Note	30 June 2014 RM'000	30 June 2013 RM'000
<b>Operating activities</b>			
Profit before tax		97,368	33,957
Adjustments for non-cash flow items:			
Depreciation and amortization of property, plant and equipment		40,572	38,990
Employee expenses under ESOS		936	1,074
(Gain)/Loss on disposal of property, plant and equipment		(623)	(86)
Property, plant and equipment written off		100	319
Interest income		(6,448)	(5,918)
Interest expenses		16,829	12,230
Share of results of an associate		(1,149)	(579)
Operating profit before working capital changes		147,585	79,987
(Increase)/decrease in inventories		(17,050)	80,959
(Decrease)/Increase in trade and other receivables		(36,841)	2,217
Increase in trade and other payables		(32,875)	(66,148)
Cash generated from operations		60,819	97,015
Tax paid		(21,246)	(32,387)
<b>Net cash flows from/(used in) operating activities</b>		39,573	64,628
<b>Investing activities</b>			
Acquisition of property, plant and equipment		(63,857)	(62,435)
Additions of plantation development expenditure		(7,962)	(13,417)
Additions of property development cost		(2,446)	-
Proceeds from disposal of property, plant and equipment		224	443
Interest received		6,448	5,918
Acquisition of shares from non-controlling interest		-	(242,500)
<b>Net cash used in investing activities</b>		(67,593)	(311,991)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Cash Flow Statement  
For the Six-Months Period Ended 30 June 2014**

	Note	30 June 2014 RM'000	30 June 2013 RM'000
<b>Financing activities</b>			
Net changes in trade facilities		87,635	(42,420)
Proceeds from loans and borrowings		62,117	173,825
Proceeds from issuance of share capital		2,411	1,740
Dividend paid to non-controlling interest		(4,340)	(4,500)
Repayment of hire purchase		(8,586)	(7,714)
Repayment of loans and borrowings		(70,417)	(8,637)
Interest paid		(10,959)	(14,768)
Redemption of preference share		-	(1,000)
<b>Net cash from financing activities</b>		<u>57,861</u>	<u>96,526</u>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		29,841	(150,837)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		482,671	569,835
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>		<u><u>512,512</u></u>	<u><u>418,998</u></u>
Cash and cash equivalents at the end of the financial period comprised the following:			
Wholesale money market deposits		1,575	75,687
Fixed deposits with licensed banks		298,586	275,107
Cash in hand and at bank		212,351	68,204
<b>Cash and bank balances</b>		<u>512,512</u>	<u>418,998</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited Financial Statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to this report)



**Explanatory Notes To The Interim Report – 30 June 2014**

**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 2013.

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 2014:-

Amendments to FRS 2: Share-based Payment (Improvements 2012 Cycle)

FRS 3: Business Combinations

Amendments to FRS 3: Business Combinations (Improvements 2010-2012 Cycle)

Amendments to FRS 3: Business Combinations (Improvements 2011-2013 Cycle)

Amendments to FRS 8: Operating Segments (Improvements 2010-2012)

Amendments to FRS 10: Investment Entities

Amendments to FRS 12: Investment Entities

Amendments to FRS 13: Fair Value Measurement (Improvements 2011-2013)

Amendments to FRS 116: Property, Plant and Equipment (Improvements 2010-2012 Cycle)

Amendments to FRS 119: Defined Benefit Plans: Employee Contributions

Amendments to FRS 124: Related Party Disclosure (Improvements 2010-2012)

Amendments to FRS 127: Separate Financial Statements: Investment Entities

Amendments to FRS 132: Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 136: Impairment of Assets: Recoverable Amount Disclosure for Non-Financial Assets

Amendments to FRS 138: Intangible Assets (Improvements 2010-2012)

Amendments to FRS 139: Financial Instruments: Recognition and Measurement: Novation of Derivatives and continuation of Hedge Accounting

Amendments to FRS 140: Investment Property (Improvements 2011-2013)

IC Interpretation 21, Levies





## **Explanatory Notes To The Interim Report – 30 June 2014**

### **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 2015.

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 2015. 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 expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ended 31 December 2015.

**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 792,400 shares exercised under the Employees' Share Options Scheme.

**A7. Dividends paid**

In respect for financial period ended 30 June 2014, the company has paid RM21,963,343 on 23 July 2014, being the first and final single tier dividend of 5% declared for the financial year ended 31 December 2013 and duly approved during Annual General Meeting held on 25 June 2014.

**A8. Segment Information**

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



**Explanatory Notes To The Interim Report – 30 June 2014**

**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 30 June 2014 except the corporate guarantee favouring the banks for the banking facilities given to the subsidiary companies as follows:-

	<b>Value of Guarantee</b>	<b>Balance Unutilized 30 June 2014</b>
Subsidiary # 1	RM 59.0 million	RM 29.4 million
Subsidiary # 2	RM 374.2 million	RM 136.2 million
Subsidiary # 3	RM 45.0 million	RM 45.0 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 30 June 2014 is as follows:-

	<b>30 June 2014</b>
	<b>RM'000</b>
Property, plant and equipment	
Authorized but not contracted	83,213
Contracted but not provided in the financial statements	127,078
	<u>210,291</u>
Plantation Development Expenditure	
Authorized but not contracted	11,224
Contracted but not provided in the financial statements	399
	<u>11,623</u>



**Explanatory Notes To The Interim Report – 30 June 2014**

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

**B1. Review of Performance**

**2<sup>nd</sup> Quarter FY2014 (“Q2FY2014”) vs 2<sup>nd</sup> Quarter FY2013 (“Q2FY2013”)**

The Group registered a total revenue of RM655.3 million for Q2FY2014 compared with RM314.0 million reported in Q2FY2013, representing an increase of RM341.3 million or 108.7%.

Profit before tax for the quarter was RM48.4 million against RM4.7 million for corresponding quarter last year. This was attributed principally to improved palm products realized prices , increase of palm products sold and increase of fresh fruit bunch production from plantation estates.

**Current Year To Date (“2QFY2014”) vs Preceding Year To Date (“2QFY2013”)**

The Group registered a total revenue of RM1,202.0 million for the six months ended 30 June 2014 against RM741.0 million reported in the corresponding period year 2013, representing an increase of 62.2%.

Group profit before tax for the period ended 30 June 2014 was RM97.4 million against RM34.0 million achieved during the corresponding period year 2013. The increase in profit before tax was mainly due to improved palm products average realized prices, increase of palm products sold and increase of fresh fruit bunch production from plantation estates.

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

**2<sup>nd</sup> Quarter FY2014 (“Q2FY2014”) vs 1<sup>st</sup> Quarter FY2014 (“Q1FY2014”)**

The Group posted total revenue of RM655.3 million in Q2FY2014 compared with RM546.7 million reported in Q1FY2014 as a result of increase in palm products sold.

The Group reported a profit before tax of RM48.4 million in Q2FY2014 compared with RM49.0 million reported in Q1FY2014 due to narrower margins. For the quarter under review, simple average palm products realized prices were as below:-

	<b>Q2FY 2014</b>	<b>Q1FY 2014</b>
Palm Oil Products (RM/mt)	2,614	2,607
Palm Kernel Products (RM/mt)	2,239	2,279

**B3. Prospect**

The performance of the Group would continue to be driven by the palm products 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.



**Explanatory Notes To The Interim Report – 30 June 2014**

**B5. Profit before tax**

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

	Individual quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30 June		30 June	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortization	20,004	19,818	40,572	38,990
Property, plant and equipment written off	93	315	100	319
(Gain)/Loss on disposal of property, plant and equipment	(470)	(86)	(623)	(86)
Interest income	(3,579)	(2,990)	(6,448)	(5,918)
Interest expenses	8,273	6,254	16,829	12,230
	<u>13,281</u>	<u>2,946</u>	<u>26,264</u>	<u>10,447</u>
<b>B6. Taxation</b>				
Current tax expenses	15,652	9,313	32,063	19,834
Deferred tax	(2,371)	(6,367)	(5,799)	(9,387)
	<u>13,281</u>	<u>2,946</u>	<u>26,264</u>	<u>10,447</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	7	26	15	79
	<u>7</u>	<u>26</u>	<u>15</u>	<u>79</u>

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



**Explanatory Notes To The Interim Report – 30 June 2014**

**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 followings:-

- (i) Proposed acquisition of 60% equity interest in both DD Pelita Sebungan Plantation Sdn Bhd and Mutiara Pelita Genaan Plantation Sdn Bhd; and 34.9 hectares of land located at Bintulu, Sarawak for construction of palm oil mill.

The Company had on 19<sup>th</sup> March 2014 entered into the Conditional Share Sales Agreement ('CSSA') to acquire 60% equity interest in DD Pelita Sebungan Plantation Sdn Bhd and Mutiara Pelita Genaan Plantation Sdn Bhd from Double Dynasty Sdn Bhd and Hartabumi Sdn Bhd respectively for an aggregate purchase consideration of RM134.9 million, together with the proposed procurement of the rights to develop an additional up to 8,000 hectares of land into oil palm plantations for a procurement consideration of up to RM28.0 million.

The Company also on even date entered into another Conditional Sales and Purchase Agreement ("CSPA") to acquire 34.9 hectares of land, earmarked for a palm oil mill, located at Bintulu, Sarawak from DD Palm Oil Mills Sdn Bhd, Ting Chek Ing and Lee Ka Ming for a purchase consideration of approximately RM4.3 million.

Both CSSA and CSPA have set out conditions precedent to be fulfilled within six months from the stop date as stipulated in the CSSA and CSPA.

Barring any unforeseen circumstances and subject to all conditions precedent being fulfilled and all requisite approvals being obtained, the proposed acquisitions are expected to be completed by fourth (4<sup>th</sup>) quarter of financial year 2014.



**Explanatory Notes To The Interim Report – 30 June 2014**

**B8. Borrowing and debt securities**

	<b>30 June 2014</b> <b>RM'000</b>
Current	
Secured	335,717
Unsecured	19,745
Non-current	
Secured	476,376
Unsecured	66,700
Total	898,538

The above borrowings are denominated in Ringgit Malaysia.

**B9. Derivatives financial instruments**

(a) The outstanding interest rate swap (IRS) contracts as at 30 June 2014 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	1	18	6	25	(62)	(324)	(55)	(441)

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 – 30 June 2014**

### **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 had applied to consolidate the action with the other claimants in Suit no. BTU-21-4/2-2012 (TR Nyipa Anak Tingang vs Pusaka KTS Forest Plantation Sdn Bhd & Others) via 4<sup>th</sup> Defendant's Notice of Application dated 21<sup>st</sup> September 2012 and that the said were allowed on 14<sup>th</sup> January 2013.

Based on the court judgment on 8<sup>th</sup> August 2014, the area affected is insignificant and has no significant impact to the Company.

- (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 above mentioned suit was mentioned on 25 June 2014, and Company was informed by solicitors that on the even date the Plaintiffs and Defendants have reached an out of court settlement and the Plaintiffs’ counsel had withdrawn the above mentioned case with no liberty to file afresh and with no order as to costs.

### **B11. Dividends**

First and final single tier dividend in respect of the financial year ended 31 December 2013, of 5% on 439,266,859 ordinary shares, amounting to a dividend payable of RM21,963,343 (5 sen per ordinary share) has been approved by shareholders during Annual General Meeting held on 25 June 2014.



**Explanatory Notes To The Interim Report – 30 June 2014**

**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.

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	32,901	1,155	66,585	22,243
	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Weighted average number of Ordinary shares in issue	438,896	437,270	438,611	436,923
	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	Sen	Sen	Sen	Sen
Basic earning per share	7.50	0.26	15.18	5.09

*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.

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the parent	32,901	1,155	66,585	22,243
	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Weighted average number of Ordinary shares in issue	444,337	442,642	444,052	442,295
	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	Sen	Sen	Sen	Sen
Diluted earning per share	7.40	0.26	14.99	5.03





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

**Explanatory Notes To The Interim Report – 30 June 2014**

**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 26 August 2014.

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

**26 August 2014**