



**INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016**  
(The figures have not been audited)  
**Condensed Consolidated Statement of Financial Position as at 31 March 2016**

	Note	31 March 2016 RM'000	31 December 2015 RM'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	A1	1,172,086	1,164,369
Plantation development expenditure	A1	551,993	556,722
Land held for property development		58,944	56,176
Land use rights	A1	4,878	4,901
Investment in associate		11,600	10,409
Intangible assets		5,182	5,182
Deferred tax assets		65,094	62,835
		1,869,777	1,860,594
<b>Current Assets</b>			
Inventories		235,018	282,711
Trade and other receivables		463,731	373,533
Derivatives financial assets		16,426	33
Cash and bank balances		520,811	449,974
		1,235,986	1,106,251
<b>TOTAL ASSETS</b>		3,105,763	2,966,845
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		441,397	441,307
Share premium		15,556	15,456
Other reserves		7,957	9,003
Hedging reserve		(116)	(116)
Retained earnings		953,916	928,884
		1,418,710	1,394,534
<b>Non-controlling interests</b>		100,512	101,561
<b>Total equity</b>		1,519,222	1,496,095

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Unaudited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Financial Position as at 31 March 2016**

	Note	31 March 2016 RM'000	31 December 2015 RM'000
<b>Non-current liabilities</b>			
Deferred tax liabilities		123,862	124,245
Loans and borrowings	B8	411,750	466,539
Government grant		11,368	5,014
Derivative financial liabilities	B9	101	101
		<u>547,081</u>	<u>595,899</u>
<b>Current liabilities</b>			
Loans and borrowings	B8	744,484	634,442
Trade and other payables		294,830	240,076
Derivative liabilities	B9	146	333
		<u>1,039,460</u>	<u>874,851</u>
<b>Total liabilities</b>		<u>1,586,541</u>	<u>1,470,750</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,105,763</u>	<u>2,966,845</u>
Net assets per share attributable to owners of the Company (RM)		3.21	3.16

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Unaudited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Comprehensive Income  
For the Three-Months Period Ended 31 March 2016**

	Note	INDIVIDUAL QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
<b>Continuing Operations</b>					
Revenue		1,035,709	630,873	1,035,709	630,873
Operating expenses		(1,013,460)	(609,380)	(1,013,460)	(609,380)
Other operating income/(expenses)		19,957	(1,943)	19,957	(1,943)
Administrative expenses		(2,932)	(1,278)	(2,932)	(1,278)
Finance costs		(8,936)	(9,481)	(8,936)	(9,481)
Share of results of an associate, net of tax		1,290	(802)	1,290	(802)
<b>Profit before tax</b>		<b>31,628</b>	<b>7,989</b>	<b>31,628</b>	<b>7,989</b>
Taxation	B6	(7,645)	(2,832)	(7,645)	(2,832)
<b>Profit for the period</b>		<b>23,983</b>	<b>5,157</b>	<b>23,983</b>	<b>5,157</b>
<b>Other comprehensive income:</b>					
Net changes in fair value of derivatives	B9	-	(128)	-	(128)
Foreign exchange translation differences for foreign operations		(1,454)	115	(1,454)	115
<b>Other comprehensive income for the period, net of tax</b>		<b>(1,454)</b>	<b>(13)</b>	<b>(1,454)</b>	<b>(13)</b>
<b>Total comprehensive income for the period</b>		<b>22,529</b>	<b>5,144</b>	<b>22,529</b>	<b>5,144</b>
<b>Profit attributable to:</b>					
Owners of the Company		25,032	5,450	25,032	5,450
Non-controlling interests		(1,049)	(293)	(1,049)	(293)
		<b>23,983</b>	<b>5,157</b>	<b>23,983</b>	<b>5,157</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		23,578	5,437	23,578	5,437
Non-controlling interests		(1,049)	(293)	(1,049)	(293)
		<b>22,529</b>	<b>5,144</b>	<b>22,529</b>	<b>5,144</b>
<b>Earning per share attributable to Owners of the Company (Sen):</b>					
Basic	B12	5.67	1.24	5.67	1.24
Diluted	B12	5.65	1.23	5.65	1.23

The Condensed Consolidated Income Statements should be read in conjunction with the Unaudited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity  
For the Three-Months Period Ended 31 March 2016**

Equity Attributable to Owners of the Company

	Equity, total RM'000	Equity attributable to owners of the Company total	Share capital RM'000	Share premium RM'000	Non- Distributable	Hedging reserve RM'000	Foreign currency translation reserve RM'000	Distributable	Non- controlling interests RM'000
		RM'000			Employee share option reserve RM'000			Retained earnings RM'000	
<b>At 1 January 2016</b>	1,496,095	1,394,534	441,307	15,456	7,459	(116)	1,544	928,884	101,561
<b>Total comprehensive income for the period</b>	22,529	23,578	-	-	-	-	(1,454)	25,032	(1,049)
<b>Transactions with owners</b>									
Issuance of ordinary shares:									
Pursuant to exercise of ESOS	190	190	90	100	-	-	-	-	-
Share option granted under ESOS:									
Recognised in profit or loss	408	408	-	-	408	-	-	-	-
<b>At 31 March 2016</b>	<u>1,519,222</u>	<u>1,418,710</u>	<u>441,397</u>	<u>15,556</u>	<u>7,867</u>	<u>(116)</u>	<u>90</u>	<u>953,916</u>	<u>100,512</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunctions with the Unaudited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity  
For the Three-Months Period Ended 31 March 2016**

Equity Attributable to Owners of the Company

	Equity, total RM'000	Equity attributable to owners of the Company, total	Share capital RM'000	Share premium RM'000	Non- Distributable	Hedging reserve RM'000	Foreign currency translation reserve RM'000	Distributable	Non – controlling interests RM'000
		Company, total			Employee share option reserve RM'000			Retained earnings RM'000	
		RM'000			RM'000			RM'000	
<b>At 1 January 2015</b>	1,428,906	1,330,724	439,498	14,656	5,206	(130)	-	871,494	98,182
<b>Total comprehensive income for the period</b>	89,875	86,496	-	-	-	14	1,544	84,938	3,379
<b>Transactions with owners</b>									
Issuance of ordinary shares:									
Pursuant to exercise of ESOS	2,609	2,609	1,809	800	-	-	-	-	-
Share option granted under ESOS:									
Recognised in profit or loss	2,253	2,253	-	-	2,253	-	-	-	-
Dividends to owners of the Company	(27,548)	(27,548)	-	-	-	-	-	(27,548)	-
<b>At 31 December 2015</b>	<u>1,496,095</u>	<u>1,394,534</u>	<u>441,307</u>	<u>15,456</u>	<u>7,459</u>	<u>(116)</u>	<u>1,544</u>	<u>928,884</u>	<u>101,561</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunctions with the Unaudited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Cash Flow Statement**  
**For the Three-Months Period Ended 31 March 2016**

	Note	31 March 2016 RM'000	31 March 2015 RM'000
<b>Operating activities</b>			
<b>Profit before tax</b>		31,628	7,989
Adjustments for non-cash flow items:			
Depreciation and amortisation		26,920	25,492
Employee expenses under ESOS		362	552
Gain on disposal of property, plant and equipment		(210)	-
Property, plant and equipment written off		7	81
Finance income		(2,047)	(3,245)
Finance costs		8,936	9,481
Unrealised losses/(gains) on foreign exchange		4,347	(3,996)
Unrealised (gains)/losses on futures		(790)	2,664
Fair value changes on derivative financial instruments		(16,580)	(10,168)
Share of results of an associate		(1,290)	802
<b>Operating profit before working capital changes</b>		51,283	29,652
Decrease in inventories		47,693	16,985
Increase in trade and other receivables		(106,591)	(41,995)
Increase/(decrease) in trade and other payables		55,752	(17,445)
<b>Cash generated from/(used in) operations</b>		48,137	(12,803)
Tax paid		(7,191)	(16,653)
<b>Net cash flows from/(used in) operating activities</b>		40,946	(29,456)
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(24,796)	(13,267)
Expenditure incurred on plantation development		(2,753)	(1,941)
Expenditure incurred on land held for development		(2,768)	(111)
Proceeds from disposals of property, plant and equipment		232	-
Interest received		2,047	3,245
<b>Net cash used in investing activities</b>		(28,038)	(12,074)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Unaudited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Cash Flow Statement  
For the Three-Months Period Ended 31 March 2016**

	Note	31 March 2016 RM'000	31 March 2015 RM'000
<b>Cash flows from financing activities</b>			
Net changes in trade facilities		91,643	1,014
Proceeds from loans and borrowings		-	47,400
Proceeds from issuance of share capital		190	206
Government grant received		6,354	-
Repayment of hire purchase		(2,395)	(2,435)
Repayment of loans and borrowings		(28,815)	(30,471)
Interest paid		(8,936)	(9,652)
<b>Net cash from financing activities</b>		<u>58,041</u>	<u>6,062</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		70,949	(35,468)
<b>Cash and cash equivalents at beginning of the financial period</b>		450,113	487,511
Effect of exchange rate changes on cash and cash equivalents		(251)	2,494
<b>Cash and cash equivalents at end of financial period</b>		<u>520,811</u>	<u>454,537</u>
Cash and cash equivalents at the end of the financial period comprised the following:			
Short term deposits with licensed banks		316,783	313,390
Cash in hand and at banks		204,028	141,147
Cash and bank balances		<u>520,811</u>	<u>454,537</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Unaudited Financial Statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Explanatory Notes To The Interim Report – 31 March 2016**

**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 unaudited financial statements for the financial year ended 31 December 2015.

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 2016:-

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 – 31 March 2016**

### **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 2017.

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 2017. 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 2017.

- 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 of the palms.
- 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 90,200 shares exercised under the Employees’ Share Options Scheme.
- A7. Dividends paid**  
There was no dividend paid during interim period under review.



**Explanatory Notes To The Interim Report – 31 March 2016**

**A8. Segment Information**

Segment information is presented in respect of the Group's reportable segments which are based on the Group's management and internal reporting structure.

**(RM'000)**

**Period to date ended 31 March 2016**

	Palm oil Segment	Property Segment	Consolidated Elimination	Consolidated
Total segment revenue	1,896,250	243	(860,784)	1,035,709
Less: Inter-segment revenue	(860,784)	-	860,784	-
Revenue from external customers	1,035,466	243	-	1,035,709
Finance income	2,628	10	(591)	2,047
Finance costs	(13,726)	-	4,790	(8,936)
Depreciation and amortisation	(26,223)	(87)	(610)	(26,920)
Share of results of associates	-	-	1,290	1,290
Profit/(loss) before taxation for financial period	33,651	(278)	(1,745)	31,628

**(RM'000)**

**Period to date ended 31 March 2015**

	Palm oil Segment	Property Segment	Consolidated Elimination	Consolidated
Total segment revenue	873,385	460	(242,972)	630,873
Less: Inter-segment revenue	(242,972)	-	242,972	-
Revenue from external customers	630,413	460	-	630,873
Finance income	3,082	22	141	3,245
Finance costs	(12,623)	(61)	3,203	(9,481)
Depreciation and amortisation	(25,425)	(67)	-	(25,492)
Share of results of associates	-	-	(802)	(802)
Profit/(loss) before taxation for financial period	8,478	(3)	(486)	7,989



**Explanatory Notes To The Interim Report – 31 March 2016**

**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 March 2016 except corporate guarantees of RM682.80 million favouring the banks in respect of banking facilities granted to the subsidiaries. The contingent liabilities of RM351.70 million represents the outstanding banking facilities of the subsidiaries with corporate guarantee at the end of the reporting period.

**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 2016 is as follows:-

	<b>31 March 2016</b>
	<b>RM'000</b>
Property, plant and equipment	
Authorised but not contracted	112,343
Contracted but not provided in the financial statements	37,846
	<u>150,189</u>
Plantation Development Expenditure	
Authorised but not contracted	<u>9,816</u>



**Explanatory Notes To The Interim Report – 31 March 2016**

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

**B1. Review of Performance**

**1<sup>st</sup> Quarter FY2016 (“Q1FY2016”) vs 1<sup>st</sup> Quarter FY2015 (“Q1FY2015”)**

The Group registered a total revenue of RM1,035.7 million for Q1FY2016 compared with RM630.9 million reported in Q1FY2015. The increase in revenue was mainly attributed to higher trading volume of palm oil products transacted by the Group.

Profit before tax for the quarter was RM31.6 million against RM8.0 million for corresponding quarter last year. Increase in profit before tax was attributed higher sales volume of palm oil products transacted by the Group and gain on fair value changes of RM16.7 million from outstanding derivatives contracts.

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

**1<sup>st</sup> Quarter FY2016 (“Q1FY2016”) vs 4<sup>th</sup> Quarter FY2015 (“Q4FY2015”)**

The Group posted total revenue of RM1,035.7 million in Q1FY2016 compared with RM1,360.6 million reported in Q4FY2015.

The Group reported a profit before tax of RM31.6 million compared with RM59.7 million reported in Q4FY2015. The reduction of profit was mainly attributed to lower volume of palm products sold in spite of palm products price improvement. For the quarter under review, simple average palm products realised prices against last quarter were as below:-

	Q1FY 2016	Q4FY 2015
Palm Oil Products (RM/mt)	2,251	2,006
Palm Kernel Products (RM/mt)	2,117	1,885

**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 interests and for the shortfall in profit guarantee are not applicable.



**Explanatory Notes To The Interim Report – 31 March 2016**

**B5. Profit before tax**

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

	Individual quarter		Cumulative quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	26,920	25,492	26,920	25,492
Property, plant and equipment written off	7	81	7	81
Gain on disposal of property, plant and equipment	(210)	-	(210)	-
Finance income	(2,047)	(3,245)	(2,047)	(3,245)
Finance costs	8,936	9,481	8,936	9,481

**B6. Taxation**

Current tax expenses	10,287	6,959	10,287	6,959
Deferred tax	(2,642)	(4,127)	(2,642)	(4,127)
	<u>7,645</u>	<u>2,832</u>	<u>7,645</u>	<u>2,832</u>
Deferred tax related to other comprehensive income:-				
Derivative financial instruments	-	(40)	-	(40)

The Group's effective tax rate is higher than the prevailing corporate tax rate of 24% due to certain expenditures which are non tax deductible.



**Explanatory Notes To The Interim Report – 31 March 2016**

**B7. Status of corporate proposal announced**

There is no corporate proposal announced.

**B8. Borrowing and debt securities**

	Denominated in RM RM'000	Denominated in USD* RM'000	31 March 2016 RM'000
Current			
Secured	353,653	246,982	600,635
Unsecured	143,849	-	143,849
Non-current			
Secured	335,396	-	335,396
Unsecured	76,354	-	76,354
<b>Total</b>	<b>909,252</b>	<b>246,982</b>	<b>1,156,234</b>

\*USD 61.70 million equivalent

**B9. Derivatives financial instruments**

(a) The outstanding interest rate swap (IRS) contracts as at 31 March 2016 are as follows:-

(i) Interest rate swap - designated as hedging

	Contract/Notional Value (Million)					Fair Value Gain / (Loss) (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	13	22	-	35	(57)	(96)	-	(153)

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.

(ii) Interest rate swap - fair value to profit or loss

	Contract/Notional Value (Million)					Fair Value Gain / (Loss) (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	6	16	-	22	(93)	-	-	(93)

Interest rate swap does not qualify for cash flow hedges is measured at its fair value to profit or loss at the end of each reporting date.



**Explanatory Notes To The Interim Report – 31 March 2016**

**B9. Derivatives financial instruments (Continued)**

(b) The outstanding forward currency contracts as at 31 March 2016 are as follows:-

	Contract/Notional Value (Million)					Fair Value Gain / (Loss) (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
Forward currency contracts	USD	62	-	-	62	16,426	-	-	16,426

The Company uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivative do not qualify for hedge accounting.

Forward currency contracts are used to hedge the Group sales and purchases denominated in foreign currency for which firm commitments existed at the reporting date.

**B10. Changes in material litigation**

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.

The High Court has made a judgment on 8 August 2014, and the area affected is insignificant and has no significant impact to the Company.

On 3 September 2014, the plaintiff appealed against the Judgment of the High Court on 8 August 2014 and similarly, the Company had filed a cross appeal against the same Judgment on 6 November 2014.

The hearing of the NCR claimant’s appeal as well as the Company’s cross-appeal was initially fixed on 20 April 2016 and had been adjourned to 23 June 2016.

**B11. Dividends**

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2015 of 5% on 441,306,700 ordinary shares, amounting to a dividend payable of RM22,065,335 (5.00 sen per ordinary share) will be proposed for shareholders' approval. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

No interim dividend has been declared for the financial period ended 31 March 2016 (31 March 2015 : Nil).



**Explanatory Notes To The Interim Report – 31 March 2016**

**B12. Earnings per share**

*Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to owners of the Company 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>3 months ended</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	25,032	5,450	25,032	5,450
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.12.2015</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	441,397	439,552	441,397	439,552
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.12.2015</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic earning per share	5.67	1.24	5.67	1.24

*Diluted earnings per share*

The diluted earning per share is based on the profit attributable to owners of the Company 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>3 months ended</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.12.2015</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to owners of the Company	25,032	5,450	25,032	5,450
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.12.2015</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	443,423	443,293	443,423	443,293
	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2016</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.12.2015</b>
	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Diluted earning per share	5.65	1.23	5.65	1.23





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

**Explanatory Notes To The Interim Report – 31 March 2016**

**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 27 April 2016.

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

Miri  
**27 April 2016**