



**SARAWAK PLANTATION BERHAD**

(Incorporated in Malaysia - 451377- P)

**INTERIM REPORT  
FOR 4TH QUARTER ENDED  
31 DECEMBER 2016**



**SARAWAK PLANTATION BERHAD**

(Incorporated in Malaysia - 451377- P)

8<sup>th</sup> Floor, Wisma Naim, 2½ Mile Rock Road, 93200 Kuching, Sarawak, Malaysia

Telephone No: 082-233550

Facsimile No: 082-256650

Email: info@spbgroup.com.my

---

**INTERIM REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016**  
(The figures have not been audited)

---

	<b>Page</b>
<b>Condensed Consolidated Statement of Financial Position</b>	<b>1 – 2</b>
<b>Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>	<b>3 – 4</b>
<b>Condensed Consolidated Statement of Changes in Equity</b>	<b>5 – 6</b>
<b>Condensed Consolidated Statement of Cash Flows</b>	<b>7 – 8</b>
 <b>Explanatory Notes</b>	
 <i>Part A – Explanatory Notes Pursuant to FRS 134</i>	 <i>9 – 20</i>
<i>Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)</i>	 <i>21–28</i>

---

**Condensed Consolidated Statement of Financial Position**  
(The figures have not been audited)

	Notes	As At End Of Current Financial Year 31/12/2016 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2015 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		384,585	314,600
Plantation development expenditure		354,743	297,275
Investment properties		4,621	4,787
<b>Total non-current assets</b>		<b>743,949</b>	<b>616,662</b>
<b>Current assets</b>			
Other investments	B6	9,466	14,404
Inventories		18,092	18,715
Trade and other receivables		26,070	16,454
Deposits and prepayments		4,593	11,138
Current tax recoverable		156	3,882
Cash and cash equivalents		100,397	103,660
		158,774	168,253
Assets held for sale		949	949
<b>Total current assets</b>		<b>159,723</b>	<b>169,202</b>
<b>TOTAL ASSETS</b>		<b>903,672</b>	<b>785,864</b>

**Condensed Consolidated Statement of Financial Position (continued)**

(The figures have not been audited)

		<b>As At End Of Current Financial Year 31/12/2016 (Unaudited) RM'000</b>	<b>As At End Of Preceding Financial Year 31/12/2015 (Audited) RM'000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Company</b>			
Share capital	A5	280,000	280,000
Share premium	A5	60,969	60,969
Reserves		297,864	288,232
		<u>638,833</u>	<u>629,201</u>
<b>Non-controlling interests</b>		<u>(9,846)</u>	<u>(6,842)</u>
<b>Total equity</b>		<u>628,987</u>	<u>622,359</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		53,440	54,643
Loans and borrowings	B7	89,943	21,368
<b>Total non-current liabilities</b>		<u>143,383</u>	<u>76,011</u>
<b>Current liabilities</b>			
Trade and other payables		88,361	41,243
Loans and borrowings	B7	42,925	46,030
Current tax payable		16	221
<b>Total current liabilities</b>		<u>131,302</u>	<u>87,494</u>
<b>Total liabilities</b>		<u>274,685</u>	<u>163,505</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>903,672</u>	<u>785,864</u>
<b>Net assets per share attributable to Owners of the Company (RM)</b>		<u>2.29</u>	<u>2.25</u>

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

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
(The figures have not been audited)

	Notes	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
		Current Year Quarter 31/12/2016 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2015 (Unaudited) RM'000	Current Year - Period To Date 31/12/2016 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2015 (Audited) RM'000
Revenue		110,950	91,310	383,967	334,232
Cost of sales		(80,299)	(72,276)	(299,654)	(264,565)
<b>Gross profit</b>		30,651	19,034	84,313	69,667
Other income		485	26	3,006	6,996
Distribution costs		(5,447)	(5,307)	(19,968)	(19,763)
Other operating expenses		(7,097)	(783)	(7,097)	(783)
Administrative expenses		(5,210)	(5,669)	(17,883)	(22,876)
Replanting expenses		(4,605)	(4,027)	(19,534)	(11,881)
<b>Results from operating activities</b>		8,777	3,274	22,837	21,360
Other non-operating income		-	-	3,700	-
		8,777	3,274	26,537	21,360
Finance income		679	956	2,824	3,723
Finance costs		(927)	(876)	(3,632)	(2,608)
<b>Net finance income</b>		(248)	80	(808)	1,115
<b>Profit before tax</b>	A14	8,529	3,354	25,729	22,475
Taxation	B5	(4,544)	(644)	(6,398)	(1,941)
<b>Profit for the period</b>		3,985	2,710	19,331	20,534
<b>Other comprehensive income, net of tax</b>		-	-	-	-
<b>Profit and total comprehensive income for the period</b>		3,985	2,710	19,331	20,534

**Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)**  
(The figures have not been audited)

	Notes	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
		Current Year Quarter 31/12/2016 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/12/2015 (Unaudited) RM'000	Current Year - Period To Date 31/12/2016 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2015 (Audited) RM'000
<b>Profit attributable to:</b>					
Owners of the Company		6,580	2,875	22,212	21,298
Non-controlling interests		(2,595)	(165)	(2,881)	(764)
<b>Profit for the period</b>		<u>3,985</u>	<u>2,710</u>	<u>19,331</u>	<u>20,534</u>
<b>Profit and total comprehensive income attributable to:</b>					
Owners of the Company		6,580	2,875	22,212	21,298
Non-controlling interests		(2,595)	(165)	(2,881)	(764)
<b>Profit and total comprehensive income for the period</b>		<u>3,985</u>	<u>2,710</u>	<u>19,331</u>	<u>20,534</u>
<b>Basic earnings per ordinary share attributable to Owners of the Company (sen):</b>					
<b>Basic</b>	B12	<u>2.35</u>	<u>1.03</u>	<u>7.94</u>	<u>7.62</u>
<b>Diluted</b>	B12	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this report)

**Condensed Consolidated Statement of Changes in Equity**

(The figures have not been audited)

	Attributable to Owners of the Company										
	Notes	Non-distributable					Distributable			Non-controlling interests RM'000	Total equity RM'000
		Issued and paid up ordinary shares of RM1.00 each		Share premium RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000			
		Number of shares '000	Nominal value RM'000								
<b>At 31 December 2015</b>		280,000	280,000	60,969	493	(1,223)	288,962	629,201	(6,842)	622,359	
<b>Profit and total comprehensive income for the period</b>		-	-	-	-	-	22,212	22,212	(2,881)	19,331	
Less: First interim, single tier exempt dividend in respect of the financial year ended 31 December 2015	B11	-	-	-	-	-	(12,580)	(12,580)	-	(12,580)	
Less: Dividends paid to non-controlling interests of the Company by a subsidiary company		-	-	-	-	-	-	-	(123)	(123)	
<b>At 31 December 2016</b>		280,000	280,000	60,969	493	(1,223)	298,594	638,833	(9,846)	628,987	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this report)

**Condensed Consolidated Statement of Changes in Equity**

(The figures have been audited)

	Attributable to Owners of the Company										
	Notes	Non-distributable					Distributable			Non-controlling interests RM'000	Total equity RM'000
		Number of shares '000	Nominal value RM'000	Share premium RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000			
									Issued and paid up ordinary shares of RM1.00 each		
<b>At 31 December 2014</b>		280,000	280,000	60,969	493	(1,223)	276,051	616,290	(6,078)	610,212	
<b>Profit and total comprehensive income for the period</b>		-	-	-	-	-	21,298	21,298	(764)	20,534	
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2014		-	-	-	-	-	(8,387)	(8,387)	-	(8,387)	
<b>At 31 December 2015</b>		280,000	280,000	60,969	493	(1,223)	288,962	629,201	(6,842)	622,359	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Cash Flows**  
(The figures have not been audited)

	<b>Cumulative Quarter (12 Months)</b>	
	<b>Current Year - Period To Date 31/12/2016 (Unaudited) RM'000</b>	<b>Preceding Year - Period To Date 31/12/2015 (Audited) RM'000</b>
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	25,729	22,475
<i>Adjustments for:</i>		
Change in fair value of other investments	88	87
Depreciation of property, plant and equipment	23,475	22,067
Depreciation of plantation development expenditure	221	221
Depreciation of investment properties	166	166
Dividend income from other investments	(46)	(46)
Gain on disposal of:		
- other investments	(51)	(1)
- property, plant and equipment	-	(115)
- assets held for sale	-	(5,808)
(Reversal) / Impairment losses on:		
- impairment losses on deposits paid	(3,700)	-
- plantation development expenditure	5,843	783
- property, plant and equipment	519	-
- prepayment and other assets	709	-
- trade and other receivables	27	-
Property, plant and equipment written off	25	655
Inventories written off	199	43
Finance income	(2,824)	(3,723)
Finance costs	3,632	2,608
<b>Operating profit before changes in working capital</b>	<b>54,012</b>	<b>39,412</b>
Change in inventories	424	68
Change in trade and other receivables, deposits and prepayments	(4,045)	2,315
Change in trade and other payables	(5,177)	(32,297)
<b>Cash generated from operations</b>	<b>45,214</b>	<b>9,498</b>
Income tax refunded / (paid)	(3,878)	155
Interest paid	(3,864)	(2,455)
Finance lease profit paid	(226)	(153)
Interest received	2,852	3,667
<b>Net cash from operating activities</b>	<b>40,098</b>	<b>10,712</b>

**Condensed Consolidated Statement of Cash Flows (continued)**  
(The figures have not been audited)

	Cumulative Quarter (12 Months)	
	Current Year - Period To Date 31/12/2016 (Unaudited) RM'000	Preceding Year - Period To Date 31/12/2015 (Audited) RM'000
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(43,778)	(8,817)
Dividend received	29	29
Net movement of fixed deposits with original maturities exceeding three months	4,926	(5,770)
Plantation development expenditure (net of depreciation)	(43,938)	(16,605)
Part payment of acquisition of equity interest in a company	(14,859)	(5,954)
Deposits for investment refunded	3,700	-
Proceeds from disposal of assets held for sale	-	7,200
Proceeds on disposal of property, plant and equipment	-	218
<b>Net cash used in investing activities</b>	<b>(93,920)</b>	<b>(29,699)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from borrowings	68,929	51,470
Repayment of borrowings	(5,667)	(26,789)
Dividends paid to owners of the Company	(12,580)	(8,387)
Dividends paid to non-controlling interests of the Company	(123)	-
<b>Net cash from financing activities</b>	<b>50,559</b>	<b>16,294</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,263)</b>	<b>(2,693)</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>103,660</b>	<b>106,353</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>100,397</b>	<b>103,660</b>
<b>Represented by:</b>		
Deposits with original maturities not exceeding three months	99,580	<b>102,698</b>
Cash and bank balances	817	<b>962</b>
<b>Cash and cash equivalents</b>	<b>100,397</b>	<b>103,660</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying notes attached to this report)



## Part A – Explanatory Notes Pursuant to Financial Reporting Standards (“FRS”) 134

### A1. Basis of preparation

#### 1. Statement of compliance

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

The condensed consolidated financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2015.

#### 2. Significant accounting policies

##### 2.1 Adoption of new/revised Standards, Amendments and Interpretations

The accounting policies and methods of computation used in the preparation of the consolidated interim financial statements of the Group are consistent with those used in the preparation of the last audited financial statements of the Group for the financial year ended 31 December 2015 except for the adoption of the following new/revised accounting standards, amendments and interpretations that have been issued by Malaysian Accounting Standards Board (“MASB”):

<b>Standards / Amendments / Interpretations</b>	<b>Effective date</b>
Amendment to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvement 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to FRS 7, <i>Financial Instruments: Disclosures (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendment to FRS 10, <i>Consolidated Financial Statement</i> and FRS 12, <i>Disclosure of Interests in Other Entities</i> and FRS 128, <i>Investments in Associates and Joint Venture – Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendment to FRS 11, <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
FRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 101, <i>Presentation of Financial Statements – Disclosure Initiative</i>	1 January 2016
Amendments to FRS 116, <i>Property, Plant and Equipment</i> and FRS 138, <i>Intangible Assets -Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 127, <i>Separate Financial Statements -Equity Method in Separate Financial Statements</i>	1 January 2016
Amendment to FRS 134, <i>Interim Financial Reporting (Annual Improvements to FRSs 2012 – 2014 Cycle)</i>	1 January 2016

The Group has not applied the following new/revised accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group:

<b>Standards / Amendments / Interpretations</b>	<b>Effective date</b>
Amendment to FRS 10, <i>Consolidated Financial Statements</i> and FRS 128, <i>Investments in Associates and Joint Venture - Sale or Contribution of Assets between Investor and its Associate or Joint Venture</i>	Yet to be determined
Amendments to FRS 107, <i>Statement of Cash Flows - Disclosure Initiative</i>	1 January 2017
Amendments to FRS 112, <i>Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendment to FRS 12, <i>Disclosure of interests in Other Entities (Annual Improvements to FRS Standards 2014 – 2016 Cycle)</i>	1 January 2017

**Part A – Explanatory Notes Pursuant to FRS 134****A1. Basis of preparation (continued)****2. Significant accounting policies (continued)****2.1 Adoption of new/revised Standards, Amendments and Interpretations (continued)**

The Group is currently assessing the financial impact that may arise from the adoption of the above accounting standards.

**2.2 Malaysian Financial Reporting Standards**

The Group's financial statements for annual period beginning on 1 January 2018 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB and International Financial Reporting Standards ("IFRSs").

The Group falls within the scope of MFRS 141, *Agriculture*. Therefore, the Group is currently exempted from adopting the ("MFRSs") and is referred to as a "Transitioning Entity".

The Group will apply the following MFRSs that are not yet effective:

<b>Standards / Amendments / Interpretations</b>	<b>Effective date</b>
Agriculture: <i>Bearer Plants (Amendments to MFRS 116 and MFRS 141)</i>	1 January 2018
MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
Amendments to MFRS 7, <i>Financial Instruments: Disclosure Mandatory of MFRS 9 and Transition Disclosure</i>	1 January 2018
MFRS 15, <i>Revenue from Contracts with customers</i>	1 January 2018
Amendments to MFRS 2, <i>Share-based Payment – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
MFRS 16, <i>Leases</i>	1 January 2019
Amendment to MFRS 128, <i>Investment in Associates and Joint Ventures (Annual Improvements to FRS Standards 2014 – 2016 Cycle)</i>	1 January 2018
IC Interpretation 22, <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 1, <i>First – time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)</i>	1 January 2018
Amendments to MFRS 4, <i>Insurance contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	1 January 2018
Amendments to MFRS 140, <i>Investment Property – Transfers of Investment Property</i>	1 January 2018



---

**Part A – Explanatory Notes Pursuant to FRS 134**

---

**A1. Basis of preparation (continued)**

**2. Significant accounting policies (continued)**

**2.2 Malaysian Financial Reporting Standards (continued)**

Material impacts of the initial application of the above accounting standards, which are applicable to the Group and which are to be applied retrospectively, are discussed below:

**(i) Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture - Agriculture: Bearer Plants***

The amendments to MFRS 116 and MFRS 141 require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment in accordance with MFRS 116, *Property, Plant and Equipment*.

The Group is currently assessing the financial impact that may arise from the adoption of amendments to MFRS 116 and MFRS 141.

**(ii) MFRS 9, *Financial Instruments***

MFRS 9 replaces the guidance in FRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities and on hedge accounting.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

**(iii) MFRS 15, *Revenue from Contracts with Customers***

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in the accounting policy. The Group is currently assessing the financial impact of adopting MFRS 15 which is to be applied retrospectively.

**(iv) Amendments to MFRS 2, *Share-based Payment***

Amendments to MFRS 2 are with regards to classification and measurement of share-based payment transactions (the Amendments).

The Amendments provides specific guidance on how to account for the following situations:

- (a) the effect of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- (b) share-based payment transactions with a net settlement feature for withholding tax obligations; and
- (c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled

The Group is currently assessing the financial impact that may rise from the adoption of the Amendments to MFRS 2.



**Part A – Explanatory Notes Pursuant to FRS 134**

---

**A1. Basis of preparation (continued)**

**2. Significant accounting policies (continued)**

**2.2 Malaysian Financial Reporting Standards (continued)**

**(v) MFRS 16, Leases**

MFRS 16, *Leases* to replace the existing Standard on Leases, MFRS 117. MFRS 16 is word-for-word IFRS 16, *Leases* as issued by the International Accounting Standards Board, and has the same effective date of 1 January 2019. Earlier application is permitted provided MFRS 15, *Revenue from Contracts with Customers* is also applied.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its balance sheet as recording certain leases as off-balance sheet leases will no longer be allowed except for some limited practical exemptions. In other words, for a lessee that has material operating leases, the assets and liabilities reported on its balance sheet are expected to increase substantially.

The Group is currently assessing the financial impact that may rise from the adoption of the MFRS 16.

**Part A – Explanatory Notes Pursuant to FRS 134****A2. Seasonality or Cyclicity of Interim Operations**

The Group's performance is affected by the cropping pattern of fresh fruit bunches ("FFB") which normally reaches its peak in the second half of the year, that will be reflected accordingly in the crude palm oil ("CPO") and palm kernel ("PK") production of the Group. The performance is also affected by the prices of CPO and PK which are determined by global supply and demand situation for edible oils and fats.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net income or Cash Flows**

There were no items affecting assets, liabilities, equity, net income, or cash flows, which were unusual in nature, size or incidence during the current financial period, except for the following:

- a. On 1 September 2016, a wholly owned subsidiary of the Company, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD"), has entered into two Sale and Purchase Agreements to purchase two parcels of lands together with oil palm plantations existing thereon from Magna Wide Sdn. Bhd. and Magna Wide Enterprise Sdn. Bhd. respectively for a total cash consideration of RM76 million. The two parcels of lands measuring approximately 1,908 hectares are situated at Puyut Land District.

As at 31 December 2016, the conditions precedents in the Sale and Purchase Agreements have been fulfilled and SPAD had paid RM53.2 million in accordance with the terms of payment.

- b. The Group recognised a total impairment loss of RM7.1 million (included in other operating expenses) of which details are disclosed in note A8.

**A4. Material Changes in Estimates**

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

**A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity in the current interim financial period.

**A6. Dividends Paid**

	<b>Cumulative Quarter (12 Months)</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>- Period To Date</b>	<b>- Period To Date</b>
	<b>31/12/2016</b>	<b>31/12/2015</b>
	<b>RM'000</b>	<b>RM'000</b>
First interim, single tier exempt dividend in respect of the financial year ended 31 December 2015		
- 4.5 sen per ordinary share	12,580	-
Dividends paid to non-controlling interests of the Company by a subsidiary company	123	-
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2014		
- 3 sen per ordinary share	-	8,387
	<u>12,703</u>	<u>8,387</u>

**Part A – Explanatory Notes Pursuant to FRS 134****A7. Segment Information**

The Group's business segments mainly comprise the following three major business segments:-

**(i) Investment holding**

Investment holding company

**(ii) Oil palm operations**

Cultivation of oil palm and processing of fresh fruit bunches

**(iii) Management services and rental**

Provision of management service and rental of investment properties

**Individual Quarter (Q4)**

	<b>Investment holding RM'000</b>	<b>Oil palm operations RM'000</b>	<b>Management services and rental RM'000</b>	<b>Consolidated RM'000</b>
<b>31/12/2016</b>				
<b>Revenue</b>				
Segment revenue	6,500	110,628	1,057	118,185
Inter-segment revenue	(6,500)	-	(735)	(7,235)
External revenue	-	110,628	322	110,950
<b>Cost of sales</b>				
Segment cost of sales	-	(79,925)	(443)	(80,368)
Inter-segment cost of sales	-	24	45	69
External cost of sales	-	(79,901)	(398)	(80,299)
<b>Gross profit/(loss)</b>	-	30,727	(76)	30,651
Other income including finance income	625	707	88	1,420
Inter-segment	(25)	(228)	(3)	(256)
External other income	600	479	85	1,164
Other expenses including finance costs	(2,211)	(24,309)	(298)	(26,818)
Inter-segment	687	2,630	215	3,532
External other expenses	(1,524)	(21,679)	(83)	(23,286)
<b>(Loss)/Profit before tax</b>	(924)	9,527	(74)	8,529



**Part A – Explanatory Notes Pursuant to FRS 134****A7. Segment Information (continued)****Individual Quarter (Q4)**

	<b>Investment holding RM'000</b>	<b>Oil palm operations RM'000</b>	<b>Management services and rental RM'000</b>	<b>Consolidated RM'000</b>
<b>31/12/2015</b>				
<b>Revenue</b>				
Segment revenue	5,500	90,890	1,258	97,648
Inter-segment revenue	(5,500)	-	(838)	(6,338)
External revenue	-	90,890	420	91,310
<b>Cost of sales</b>				
Segment cost of sales	-	(71,823)	(528)	(72,351)
Inter-segment cost of sales	-	30	45	75
External cost of sales	-	(71,793)	(483)	(72,276)
<b>Gross profit/(loss)</b>	-	19,097	(63)	19,034
Other income including finance income	787	694	112	1,593
Inter-segment	(400)	(209)	(2)	(611)
External other income	387	485	110	982
Other expenses including finance costs	(2,009)	(20,331)	(569)	(22,909)
Inter-segment	922	4,852	473	6,247
External other expenses	(1,087)	(15,479)	(96)	(16,662)
<b>(Loss)/Profit before tax</b>	(700)	4,103	(49)	3,354

**Part A – Explanatory Notes Pursuant to FRS 134****A7. Segment Information (continued)****Cumulative Quarter (12 Months)**

	<b>Investment holding RM'000</b>	<b>Oil palm operations RM'000</b>	<b>Management services and rental RM'000</b>	<b>Consolidated RM'000</b>
<b>31/12/2016</b>				
<b>Revenue</b>				
Segment revenue	20,868	382,747	4,277	407,892
Inter-segment revenue	(20,868)	-	(3,057)	(23,925)
External revenue	-	382,747	1,220	383,967
<b>Cost of sales</b>				
Segment cost of sales	-	(297,857)	(2,107)	(299,964)
Inter-segment cost of sales	-	130	180	310
External cost of sales	-	(297,727)	(1,927)	(299,654)
<b>Gross profit/(loss)</b>	-	85,020	(707)	84,313
Other income including finance income	2,687	7,833	480	11,000
Inter-segment	(598)	(862)	(10)	(1,470)
External other income	2,089	6,971	470	9,530
Other expenses including finance costs	(5,162)	(67,925)	(1,933)	(75,020)
Inter-segment	1,376	4,772	758	6,906
External other expenses	(3,786)	(63,153)	(1,175)	(68,114)
<b>(Loss)/Profit before tax</b>	<b>(1,697)</b>	<b>28,838</b>	<b>(1,412)</b>	<b>25,729</b>

**Part A – Explanatory Notes Pursuant to FRS 134****A7. Segment Information (continued)****Cumulative Quarter (12 Months)**

	<b>Investment holding RM'000</b>	<b>Oil palm operations RM'000</b>	<b>Management services and rental RM'000</b>	<b>Consolidated RM'000</b>
<b>31/12/2015</b>				
<b>Revenue</b>				
Segment revenue	13,500	333,004	4,480	350,984
Inter-segment revenue	(13,500)	-	(3,252)	(16,752)
External revenue	-	333,004	1,228	334,232
<b>Cost of sales</b>				
Segment cost of sales	-	(262,625)	(2,190)	(264,815)
Inter-segment cost of sales	-	70	180	250
External cost of sales	-	(262,555)	(2,010)	(264,565)
<b>Gross profit/(loss)</b>	-	70,449	(782)	69,667
Other income including finance income	3,252	3,690	6,308	13,250
Inter-segment	(1,580)	(933)	(18)	(2,531)
External other income	1,672	2,757	6,290	10,719
Other expenses including finance costs	(5,186)	(61,001)	(2,105)	(68,292)
Inter-segment	1,013	8,003	1,365	10,381
External other expenses	(4,173)	(52,998)	(740)	(57,911)
<b>(Loss)/Profit before tax</b>	<b>(2,501)</b>	<b>20,208</b>	<b>4,768</b>	<b>22,475</b>



---

**Part A – Explanatory Notes Pursuant to FRS 134**

---

**A7. Segment Information (continued)**

**Segment assets and liabilities**

	<b>As At End Of Current Financial Period 31/12/2016</b>
<b>Segment assets:</b>	
Investment holding	402,204
Oil palm operations	776,287
Management services/Rental	37,232
Total	<u>1,215,723</u>
Elimination	<u>(312,051)</u>
<b>Total assets</b>	<u><u>903,672</u></u>
<b>Segment liabilities:</b>	
Investment holding	11,188
Oil palm operations	286,477
Management services/Rental	10,805
Total	<u>308,470</u>
Elimination	<u>(33,785)</u>
<b>Total liabilities</b>	<u><u>274,685</u></u>

**A8. Impairment of Assets**

During the interim quarter under review, the Group has recognised a total impairment loss of RM7.1 million (included in other operating expenses) on assets (including plantation development expenditure, property, plant and equipment, prepayment and other assets and other receivables) relating to a plantation owned by a subsidiary (RM0.9 million), and a plantation under the Native Customary Rights (NCR) joint venture (RM6.2 million).

**A9. Material Events Subsequent to the End of the Interim Period**

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

**A10. Changes in the Composition of the Group**

As at 31 December 2016, 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.

**A11. Changes in Contingent Liabilities and Contingent Assets**

As at 31 December 2016, there were no material contingent liabilities or contingent assets, which upon being enforced might have a material impact on the financial position or business of the Group, except as disclosed below:

	<b>At 31/12/2016 RM'000</b>
As at that date, the Company has contingent liabilities as follows:	
Corporate guarantees for banking facilities granted to a subsidiary	<u><u>230,000</u></u>

**Part A – Explanatory Notes Pursuant to FRS 134****A12. Capital Expenditure Commitments**

As at 31 December 2016, there were no material capital commitments for capital expenditure, contracted for or known to be contracted for by the Group which might have a material impact on the financial position or business of the Group, except as disclosed below:

	<b>At 31/12/2016</b>
	<b>RM'000</b>
<b>Capital Expenditure</b>	
Authorised and contracted for	38,980
Authorised and not contracted for	-
	<u>38,980</u>
<b>Analysed as follows:</b>	
Property, plant and equipment	30,750
Plantation development expenditure	8,230
	<u>38,980</u>

**A13. Significant Related Party Transactions**

The significant related party transactions during the financial period as set out below represent significant transactions with companies having common directorship or in which a Director or person connected to a Director has interests; or with a Corporate shareholder of the Company.

	<b>Cumulative Quarter (12 Months)</b>	
	<b>Current Year - Period To Date 31/12/2016 RM'000</b>	<b>Preceding Year - Period To Date 31/12/2015 RM'000</b>
a. KUB Sepadu Sdn. Bhd.		
- Purchase of fresh fruit bunches	16,500	19,961
b. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	298	308
c. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance and implementation costs	210	389
- Acquisition of software	132	159
d. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	(2,836)	(974)
e. Ta Ann Pelita Igan Sdn. Bhd.		
- Laboratory services	(24)	(26)
	<u>(24)</u>	<u>(26)</u>

The Directors are of the opinion that all the transactions above have been entered into in the normal course of business and they are effected on terms not materially different from those obtainable in transactions with unrelated parties.



**Part A – Explanatory Notes Pursuant to FRS 134**

**A14. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income Disclosures**

	Individual Quarter (Q4)		Cumulative Quarter(12 Months)	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Corresponding Quarter 31/12/2015 RM'000	Current Year - Period To Date 31/12/2016 RM'000	Preceding Year - Period To Date 31/12/2015 RM'000
<b>Profit before tax is arrived at after charging:</b>				
Depreciation of property, plant and equipment	6,263	5,712	23,475	22,067
Depreciation of plantation development expenditure	55	55	221	221
Loss on disposal of Other investments	-	(4)	-	-
Depreciation of investment properties	41	41	166	166
Impairment of losses:				
- Plantation development expenditure	5,843	783	5,843	783
- Property, plant and equipment	518	-	518	-
- Prepayment and other assets	709	-	709	-
- Trade and other receivables	27	4	27	4
Property, plant and equipment written off	25	372	25	655
Inventories written off	199	43	199	43
Change in fair value of other investments	60	(40)	88	87
Finance costs	927	876	3,632	2,608
<b>Profit before tax is arrived at after crediting:</b>				
Dividend income from other investments	2	33	46	46
Gain on disposal of:				
- Other investments	8	1	51	1
Other operating income				
- Property, plant and equipment	-	(91)	-	115
- Asset held for sale	-	-	-	5,808
- Other operating income	485	26	3,006	1,188
Other non - operating income				
- Reversal of impairment losses on deposits paid	-	-	3,700	-
Finance income	679	956	2,824	3,723

Other items not applicable to the Group are foreign exchange gain or loss and gain and loss on derivatives.



---

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

---

**B1. Review of Performance**

**Quarter 4, 2016 vs Quarter 4, 2015**

The Group recorded revenue of RM111 million in the current quarter under review compared with RM91.3 million reported in the corresponding period of the preceding year. The increase was principally due to the effect of higher realised average selling prices of CPO and PK, partially offsetted by lower sales volumes of CPO and PK during the current interim quarter.

The Group recorded a profit before tax of RM8.5 million for the current quarter as compared to a profit before tax of RM3.4 million for the corresponding period of the preceding year. The increase was in line with the increase in revenue, partially offsetted by impairment loss of RM7.1 million recognised during the current interim quarter.

The performance of the respective major business segments of the Group are as follows:

Oil palm operations

For the current quarter, the oil palm operations segment contributed 99.7% of the Group revenue of RM111 million.

The revenue of the oil palm operations increased by RM19.7 million to RM110.6 million in the current quarter compared with RM90.9 million reported in the corresponding period of the preceding year. The increase was principally attributed to the effect of higher realised average selling prices of CPO and PK, partially offsetted by lower sales volumes of CPO and PK during the current quarter.

The average selling prices of CPO and PK had increased approximately by 35.7% and 80.2% respectively, whereas sales volumes of CPO and PK had decreased by approximately 16.5% and 19.3% the respectively for the current quarter.

The gross profit and profit before tax for the oil palm operations increased by RM11.6 million and RM5.4 million respectively for the current quarter as compared to the corresponding period of the preceding year. The increase was in line with the increase in revenue, partially offsetted by impairment loss of RM7.1 million recognised during the current interim quarter.

**Twelve months ended 31 December 2016 vs Twelve months ended 31 December 2015**

The Group recorded revenue of RM384 million in the current financial year ended 31 December 2016 compared with RM334.2 million reported in the preceding year. The increase was principally attributed to the effect of higher realised average selling prices of CPO and PK, partially offsetted by lower sales volumes of CPO and PK during the current financial year.

The Group recorded a profit before tax of RM25.7 million for the current financial year as compared to a profit before tax of RM22.5 million for the preceding year. The increase was principally attributed to the effect of increase in revenue and a reversal of prior year's impairment loss on deposits paid for acquisition of equity interest in four plantation companies as other non-operating income, partially offsetted by an increase in replanting expenditure and impairment loss of RM7.1 million recognised during the current financial year.

In addition, there was a gain on disposal of land of RM5.8 million recognised as other income for management services and rental segment in the preceding year.

The performance of the respective major business segments of the Group are as follows:



---

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

---

**B1. Review of Performance (continued)**

**Twelve months ended 31 December 2016 vs Twelve months ended 31 December 2015 (continued)**

Oil palm operations

For the current financial year, the oil palm operations segment contributed 99.7% of the Group revenue of RM384 million.

The revenue of the oil palm operations increased by RM30 million to RM382.7 million in the current financial year compared with RM333 million reported in the preceding year. The increase was principally attributed to the effect of higher realised average selling prices of CPO and PK, partially offsetted by lower sales volumes of CPO and PK during the current financial year.

The average selling prices of CPO and PK had increased approximately by 22.4% and 63.8% respectively, whereas sales volumes of CPO and PK had decreased by approximately 11.9% and 12.3% respectively for the current financial year.

The gross profit and profit before tax for the oil palm operations increased by RM14.6 million and RM8.6 million, respectively for the current financial year as compared to the preceding year. The increase was principally attributed to the effect of an increase in revenue and the reversal of prior year's impairment loss on deposits paid for acquisition of equity interest in four plantation companies, partially offsetted by an increase in replanting expenses and impairment loss of RM7.1 million recognised during the current financial year.

Other segments

Other segments' results for the current quarter and current financial year are insignificant to the Group.

**B2. Material Changes in Profit Before Tax for the Current Quarter as compared with the Immediate Preceding Quarter**

For the quarter under review, the Group recorded a profit before tax of RM8.5 million as compared to profit before tax of RM14 million in the preceding quarter. The decrease was principally due to lower sales volumes of CPO and PK and impairment loss of RM7.1 million (included in other operating expenses) recognised during the current quarter, partially offsetted by the effect of higher realised average selling prices of CPO and PK. In addition, there was a reversal of prior year's impairment loss on deposits paid for acquisition of equity interest in four plantation companies which was recognised as other non-operating income in the preceding quarter.

The realised average selling prices for CPO and PK had increased approximately 12.2% and 9.3% for the current quarter whereas the sales volumes of CPO and PK had decreased approximately by 19.4% and 18.3% respectively.

**B3. Prospects for the Next Financial Year**

The performance of the Group is largely dependent on the production, operation efficiency and prices of CPO and PK.

The Group will continue in its efforts to improve its performance and use its best endeavour to achieve satisfactory results for the next financial year.

**B4. Profit Forecast or Profit Guarantee**

The disclosure requirement for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and the achievements of financial estimate, forecast, projection for the next financial year are not applicable as the Group did not issue any profit forecast or profit guarantee for the next financial year.





**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B5. Taxation**

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Corresponding Quarter 31/12/2015 RM'000	Current Year - Period To Date 31/12/2016 RM'000	Preceding Year - Period To Date 31/12/2015 RM'000
Current tax expense	3,847	332	7,601	3,345
Deferred tax expenses/(income)	697	312	(1,203)	(1,404)
	<u>4,544</u>	<u>644</u>	<u>6,398</u>	<u>1,941</u>

The Group's effective tax rate for the financial year ended 31 December 2016 is lower than the statutory tax rate principally due to the reversal of timing difference in deferred tax liabilities.

**B6. Other Investments**

There was no material purchase or disposal of quoted securities for the current financial period.

The investments as at 31 December 2016 are as follows:

	At 31/12/2016 RM'000
<u>Current</u>	
Financial assets at fair value through profit or loss	1,802
Deposits with original maturities exceeding three months	7,664
	<u>9,466</u>

**B7. Loans and Borrowings**

	At 31/12/2016 RM'000
<u>Current</u>	
Revolving credit - secured	39,000
Revolving credit - <i>i</i> - secured	2,000
Finance lease liabilities (Hire purchase - <i>i</i> )	1,925
	<u>42,925</u>
<u>Non-current</u>	
Term Loan (Term Financing - <i>i</i> ) - secured	88,116
Finance lease liabilities (Hire purchase - <i>i</i> )	1,827
	<u>89,943</u>
Total loans and borrowings	<u>132,868</u>



---

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

---

**B7. Loans and Borrowings (continued)**

**Revolving Credit**

This revolving credit facility of RM50 million is secured by way of the Company's corporate guarantee and legal charge over certain land and buildings of a subsidiary. As at 31 December 2016, the unutilised revolving credit facility that remains available to the Group amounting to RM11 million.

The effective interest rate of this revolving credit is 4.63% per annum.

**Revolving Credit (Revolving Credits – *i*)**

The revolving credit facility of RM30 million is an Islamic facility under Bai' Inah contract, is secured by way of legal charge over certain land and buildings of a subsidiary and a corporate guarantee from the Company. As at 31 December 2016, the unutilised revolving credit facility that remains available to the Group amounting to RM28 million.

The Revolving Credit –*i* bears profit rate of 12% per annum, which is equivalent to effective profit rate of 0.60% per annum above the Bank's i-cost of funds.

**Term Loan (Term Financing – *i*)**

The term loan facility of RM150 million is an Islamic facility under Bai' Inah contract, is secured by way of legal charge over certain land and buildings of a subsidiary and a corporate guarantee from the Company. The loan is for a tenure of 8 years from the date of first drawdown in November 2014 and is repayable by 16 quarterly installments commencing 51th month after date of first drawdown of TF-*i*.

The Term Financing – *i*, bears profit rate of 12% per annum, which is equivalent to effective profit rate of 0.75% per annum above the Bank's i-cost of funds.

**Finance lease liabilities (Hire purchase - *i*)**

This finance lease liabilities are secured on property, plant and equipment under the finance lease.

The effective profit rate of this finance lease liabilities are between 4.49% to 5.32% per annum.

The above borrowings are denominated in Ringgit Malaysia.

**B8. Corporate Proposals**

**Status of Corporate Proposals Announced**

There was no corporate proposal being announced during the current interim financial period.

**B9. Gains/Losses from Fair Value Changes of Financial Liabilities**

There were no gains/losses arising from fair value changes of financial liabilities during the current interim financial period.



---

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

---

**B10. Changes in Material Litigation**

As at **17 February 2016** (*being the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report*), there were no changes to the status of material litigation or arbitration in which the Company and/or any of its subsidiaries were involved either as plaintiff or defendant which has a material effect on the Group's financial position except as disclosed below:

- (a) A subsidiary of the Group, SPB Pelita Suai Sdn. Bhd. ("SP Suai") sued 6 individuals ("Defendants"), seeking injunctive and declaratory relief against the Defendants for various acts of trespass over 2 parcels of Native Communal Reserve Land which the Defendants had given consent for development into an oil palm estate. SP Suai also seeks to claim damages from the Defendants.

On 18 September 2013, the learned Judge decided as follows:

- (i) There is no concluded contract between the Defendants and SP Suai;
- (ii) It has not been shown by the parties that the Defendants were members of the Penan community for which the land was gazetted for their exclusive use;
- (iii) That the gazette to allow SP Suai to deal with native land has no retrospective effect;
- (iv) Generally, parties have not proven their case against each other.

SP Suai filed a Notice of Appeal against the whole of the learned Judge's decision on 14 October 2013. The Defendants also filed a Notice of Appeal against the whole of the learned Judge's decision on the same date. SP Suai had filed and served the Record of Appeal on 2 December 2013. The Court of Appeal heard the appeal on 10 December 2015, and ordered that the case be remitted back to the High Court (before a different Judge) for a retrial. They were of the view that there was a mistrial in respect of the High Court's finding. There was no order as to costs.

The retrial of the case proceeded on 26 July 2016.

At the conclusion of the proceedings, the Court directed as follows:

- (1) The parties are to file and exchange Written Submissions;
- (2) Thereafter, the parties are to file Written Reply; and
- (3) Counsels for the parties are to appear before the Court to go through their Submissions on 25 August 2016

The Court allowed the Counsel for the Defendants' application for an extension of 2 weeks from 27 October 2016 to file the Written Submission and the same has to be filed on or before 10 November 2016. Thereafter, the parties may file Reply (if any) by 17 November 2016. Hearing of the Submissions is fixed on 28 November 2016. The Court will deliver its Judgement on 23 February 2017.

- (b) On 25 March 2015, the Company was served with legal proceedings. The Company and SPAD are sued together with four (4) others.

No Specific Provisional Lease State Land was specified in the Statement of Claim but the claimed area is described as "Tanah Hak Adat Komunal dan Tanah Individu Rumah Lenon Ak Nanggai at Sungai Assan Bayu, Bahagian Sibu and notated to be totaling 774.12 hectares. The allegations relate to 487.19 hectares in a community map prepared by the Sarawak Dayak Iban Association.

The Company and SPAD have entered appearance and the Defence and Counterclaim was filed on 8 April 2015. Trial is completed and the decision was delivered by the learned High Court Judge on 17 January 2017.



---

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

---

**B10. Changes in Material Litigation (continued)**

- (b) The learned High Court Judge found that the Plaintiffs have failed to prove their case against all the Defendants. In the premises, the Honourable Court had dismissed the Plaintiff's case against the Defendants with costs of RM35,000.00 to the Company and SPAD and also costs to the other Defendants.
- (c) On 13 July 2016, the Company and SPAD were served with legal proceedings. Amongst other things, the Plaintiffs sought a declaration to the effect that they have acquired native customary rights and/or are the customary owners over land situated at/around all of the Kampung Melugu Sri Aman.

The Company and SPAD had on 20 July 2016 entered appearance. On 10 August 2016, an application to strike out the Plaintiffs' Writ and Statement of Claim was filed and served the Plaintiffs. On 17 October 2016, the Court dismissed SPAD's application to strike out the Plaintiff's Statement of Claim. SPAD filed its appeal against the Court's said decision on 9 November 2016.

The hearing date for the appeal is yet to be fixed. The Court has fixed a mention date on 13 March 2017 for the parties to update the Court on the status of the appeal and for the Court to monitor the progress of the appeal, accordingly.

The Directors, in consultation with the Company's and SPAD's advocates are of the opinion that the Company and SPAD have strong merits in the case.

- (d) A subsidiary of the Group, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD") sued 16 individuals ("Defendants"), seeking injunctive and declaratory relief against the Defendants for various acts of trespass, unlawful occupation and illegal construction of a longhouse within an area covered by the Plaintiff's Provisional Lease of State Land. SPAD also seeks to claim damages from the Defendants.

The Defendants have refused to accept service of the Writ of Summons and Statement of Claim dated 5 January 2017 and the Notice of Application dated 9 January 2017 for interim injunction together with the Affidavit in Support.

SPAD applied and obtained an Order for Substituted Service on 6 February 2017 to serve the Writ, Statement of Claim and injunction application. The Notice of Advertisement was filed on 9 February 2017.

The hearing for the interim injunction is fixed on 28 February 2017 and mention for the case is fixed on 3 March 2017.

The Directors, in consultation with SPAD's Solicitors, are of the opinion that SPAD has strong merits in the case.

**B11. Dividend Declared**

On 18 February 2016, the Board of Directors had declared a first interim, single tier dividend of 4.5 sen per share, totalling approximately RM12.6 million, in respect of the financial year ended 31 December 2015, which was paid to shareholders on 30 March 2016.



**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B12. Earnings per Share**

	Individual Quarter (Q4)		Cumulative Quarter (12 Months)	
	Current Year Quarter 31/12/2016 RM'000	Preceding Year Corresponding Quarter 31/12/2015 RM'000	Current Year - Period To Date 31/12/2016 RM'000	Preceding Year - Period To Date 31/12/2015 RM'000
Profit attributable to Owners of the Company (RM)	6,580	2,875	22,212	21,298
Weighted average number of ordinary shares in issue (unit)	279,564	279,564	279,564	279,564
Basic earnings per share (sen)	2.35	1.03	7.94	7.62
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

**Basic earnings per share**

The calculation of basic earnings per share for the interim quarter and financial period is based on the profit attributable to owners of the Company and on the weighted average number of ordinary shares of RM1.00 each in issue less the weighted average number of treasury shares held by the Company.

**Diluted earnings per share**

The diluted earnings per share for the interim quarter and financial period were not computed as the Company does not have any potentially dilutive ordinary shares as at 31 December 2016.

**B13. Retained Earnings**

The retained earnings of the Group as at 31 December 2016 contain unrealised profits, as disclosed below:

	As At End Current Financial Period 31/12/2016 RM'000	As At End Of Preceding Financial Year 31/12/2015 RM'000
Total retained earnings of the Group and its subsidiaries		
Realised	320,302	315,407
Unrealised	(53,352)	(54,557)
	266,950	260,850
Consolidation adjustments	31,644	28,112
Total Group retained earnings as per consolidated accounts	298,594	288,962



**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

---

**B14. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2015 was unqualified.

**B15. Review by External Auditors**

The condensed consolidated financial statements of Sarawak Plantation Berhad for the quarter ended 31 December 2016 has been reviewed by the Company's auditor in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

**B16. Authorised for Issue**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 24 February 2017.

*By Order of the Board*

Company Secretary  
Kuching  
24 February 2017