



**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2015**

	Quarter ended		Year ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Revenue	120,203	126,727	434,875	495,566
Operating expenses	(83,763)	(78,903)	(325,790)	(326,936)
Other operating income	1,546	2,063	11,141	7,438
Profit before tax	37,986	49,887	120,226	176,068
Tax expense	(942)	(13,964)	(23,778)	(47,756)
Profit for the period representing comprehensive income for the period	<u>37,044</u>	<u>35,923</u>	<u>96,448</u>	<u>128,312</u>
Earnings per share (sen)				
Basic	<u>4.63</u>	<u>4.49</u>	<u>12.06</u>	<u>16.04</u>
Diluted	<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 2014 and the accompanying explanatory notes attached to the Interim Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 DECEMBER 2015**

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000 <i>(Audited)</i>
Non-current assets		
Property, plant and equipment	614,480	589,515
Biological assets	1,360,883	1,359,628
	<u>1,975,363</u>	<u>1,949,143</u>
Current assets		
Inventories	64,247	46,255
Receivables	13,875	5,003
Tax recoverable	419	-
Money market deposits	98,636	111,234
Cash and cash equivalents	79,051	93,421
	<u>256,228</u>	<u>255,913</u>
TOTAL ASSETS	<u>2,231,591</u>	<u>2,205,056</u>
Equity attributable to owners of the Company		
Share capital	800,000	800,000
Reserves	1,180,816	1,148,344
	<u>1,980,816</u>	<u>1,948,344</u>
Less: Treasury shares	(809)	(799)
TOTAL EQUITY	<u>1,980,007</u>	<u>1,947,545</u>
Non-current liabilities		
Deferred tax liabilities	187,763	196,282
Current liabilities		
Payables	55,371	45,694
Tax payable	8,450	15,535
	<u>63,821</u>	<u>61,229</u>
TOTAL LIABILITIES	<u>251,584</u>	<u>257,511</u>
TOTAL EQUITY AND LIABILITIES	<u>2,231,591</u>	<u>2,205,056</u>
Net assets per share (RM)	<u>2.48</u>	<u>2.44</u>
Based on number of shares net of treasury shares ('000)	799,699	799,903

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the Interim Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR YEAR ENDED 31 DECEMBER 2015**

	← Attributable to Owners of the Company →				Total Equity RM'000
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Treasury Shares RM'000	
At 1 January 2015	800,000	675,578	472,766	(799)	1,947,545
Comprehensive income for the period	-	-	96,448	-	96,448
Purchase of treasury shares	-	-	-	(10)	(10)
Dividends	-	-	(63,976)	-	(63,976)
At 31 December 2015	<u>800,000</u>	<u>675,578</u>	<u>505,238</u>	<u>(809)</u>	<u>1,980,007</u>
At 1 January 2014	800,000	675,578	448,416	(71)	1,923,923
Comprehensive income for the period	-	-	128,312	-	128,312
Purchase of treasury shares	-	-	-	(728)	(728)
Dividends	-	-	(103,962)	-	(103,962)
At 31 December 2014 (Audited)	<u>800,000</u>	<u>675,578</u>	<u>472,766</u>	<u>(799)</u>	<u>1,947,545</u>

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 2014 and the accompanying explanatory notes attached to the Interim Financial Statements

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR YEAR ENDED 31 DECEMBER 2015**

	Year ended	
	31.12.2015	31.12.2014
	RM'000	RM'000 (Audited)
Cash flows from operating activities		
Profit before tax	120,226	176,068
Adjustments for:		
Non-cash items	31,686	29,516
Non-operating items	154	73
Dividend income	(3,777)	(734)
Interest income	(2,221)	(5,201)
Operating profit before working capital changes	146,068	199,722
Net changes in working capital	(17,153)	2,830
Net tax paid	(39,801)	(41,137)
Interest received	2,221	5,201
Net cash generated from operating activities	91,335	166,616
Cash flows from investing activities		
Dividends received from money market deposits	3,743	734
Decrease/(Increase) in money market deposits	12,598	(111,234)
Proceeds from disposal of property, plant and equipment	1,505	1,613
Purchase of property, plant and equipment	(58,310)	(43,230)
Additions to biological assets	(1,255)	(5,461)
Net cash used in investing activities	(41,719)	(157,578)
Cash flows from financing activities		
Shares repurchased at cost	(10)	(728)
Dividends paid to shareholders	(63,976)	(103,962)
Net cash used in financing activities	(63,986)	(104,690)
Net decrease in cash and cash equivalents	(14,370)	(95,652)
Cash and cash equivalents at beginning of period	93,421	189,073
Cash and cash equivalents at end of period	79,051	93,421
Cash and cash equivalents comprise the following amounts:		
Deposits with licensed banks	64,182	91,617
Cash in hand and at bank	14,869	1,804
	79,051	93,421

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the Interim Financial Statements

PART A

Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134, Interim Financial Reporting

1. Basis of preparation

These interim financial statements have been prepared in accordance with the requirements of FRS 134, Interim Financial Reporting and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad [“Bursa Securities”], and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2014.

2. Significant accounting policies

The accounting policies and presentation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2014, except for changes arising from the adoption of IC Interpretations and Amendments that are effective for financial period beginning on or after 1 July 2014 which do not have material impact on the financial statements of the Group on the initial adoption.

Malaysian Financial Reporting Standards [“MFRS”]

On 19 November 2011, the Malaysian Accounting Standards Board [“MASB”] issued a new MASB approved accounting framework, the MFRS framework, to be adopted by non-private entities for annual periods beginning on or after 1 January 2012. However, adoption of the MFRS framework by entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer [“Transitioning Entities”] will only be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the definition of Transitioning Entities and is currently exempted from adopting the MFRS framework. Accordingly, the Group’s financial statements for annual period beginning on 1 January 2018 will be prepared in accordance with the MFRS and International Financial Reporting Standards. 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. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

3. Comments on the seasonality or cyclicity of operations

The Group considers the seasonal or cyclical factors affecting the results of the operations of the Group comprising the cultivation of oil palm and processing of fresh fruit bunches to include general climatic conditions, age profile of oil palms, the cyclical nature of annual production and the movements in commodity prices.

4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

Save for the information disclosed in this interim financial report, there were no unusual items affecting assets, liabilities, equity, net income or cash flow during the financial year.

5. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years

There were no changes in estimates of amounts reported in prior interim period of the current financial year or changes in estimates of amounts reported in prior financial years.

6. Issues, cancellations, repurchases, resale and repayments of debt and equity securities

Share buyback by the Company

During the current quarter, 2,000 shares were bought back and there was no resale or cancellation of treasury shares. Accordingly, the number of shares bought back and retained as treasury shares during the financial year remained unchanged at 4,000. The monthly breakdown of shares bought back during the current quarter was as follows:

Month	No of shares Purchased	Purchase price per share		Average cost per share	Total cost
		Lowest	Highest		
		RM	RM	RM	RM
October 2015	-	-	-	-	-
November 2015	2,000	2.41	2.43	2.4495	4,898.95
December 2015	-	-	-	-	-
Total	2,000	2.41	2.43	2.4495	4,898.95

As at 31 December 2015, the Company held a total of 300,800 ordinary shares as treasury shares and the issued and paid up share capital of the Company remained unchanged at 800,000,000 ordinary shares of RM1.00 each.

7. Dividends

The dividends paid out of shareholders' equity for the ordinary shares during the financial year and preceding year were as follows:

	Year ended	
	31.12.2015	31.12.2014
	RM'000	RM'000

Dividend in respect of financial year ended 31 December 2013:

- Second interim (5 sen) and special interim (2 sen) under the single tier system approved by the Directors on 26 February 2014 and paid on 28 March 2014	-	55,980
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Dividend in respect of financial year ended 31 December 2014:

- First interim (6 sen) under the single tier system approved by the Directors on 26 August 2014 and paid on 26 September 2014	-	47,982
- Second interim (5 sen) under the single tier system approved by the Directors on 23 February 2015 and paid on 25 March 2015	39,985	-

Dividend in respect of financial year ended 31 December 2015:

- First interim (3 sen) under the single tier system approved by the Directors on 25 August 2015 and paid on 29 September 2015	23,991	-
	<u>63,976</u>	<u>103,962</u>

8. Segment information

No segment information has been prepared as the Group is primarily engaged in the cultivation of oil palm and processing of fresh fruit bunches in Malaysia.

9. Effect of changes in the composition of the Group during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructuring and discontinued operations

There were no changes in composition of the Group during the financial year.

10. Significant events and transactions

There were no events or transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

11. Events after the end of the interim period

Save for the subsequent events as disclosed in Note 9 of Part B below, there were no events after the interim period and up to 18 February 2016 that have not been reflected in these interim financial statements.

12. Changes in contingent liabilities or contingent assets since the end of the last annual reporting period

Since the end of the last annual reporting period, the Group does not have any contingent liability or contingent asset as at the end of the financial year which is expected to have an operational or financial impact on the Group.

13. Capital commitments

The Group has the following capital commitments:

	As at	As at
	31.12.2015	31.12.2014
	RM'000	RM'000
Contracted but not provided for	76,013	50,215
Authorised but not contracted for	102,770	204,168
	<u>178,783</u>	<u>254,383</u>

14. Significant related party transactions

During the financial year, the Company and its subsidiaries did not enter into any Related Party Transactions or Recurrent Related Party Transactions of a revenue or trading nature that had not been included in or exceeded by 10% of the estimated value which had been mandated by the shareholders at the extraordinary general meetings held on 27 May 2014 and 25 May 2015.

PART B

Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Securities

1. Review of performance

The Group's revenue for the current quarter at RM120.2 million and profit before tax ["PBT"] at RM38 million were lower than the preceding year corresponding quarter by 5% and 24% respectively whilst Group profit after tax ["PAT"] at RM37 million was 3% above the preceding year corresponding quarter.

Generally, revenue was mainly affected by lower sales volume of Crude Palm Oil ["CPO"] and Palm Kernel ["PK"] mitigated by the higher average selling price realization of CPO and PK.

CPO and PK sales volume at 43,657 tonnes and 12,229 tonnes were lower than preceding year corresponding quarter by 9% and 3% respectively. The lower sales volume of CPO and PK were attributable to lower fresh fruit bunches ["FFB"] production and unfavourable movement in inventories due to timing of deliveries but mitigated by better oil and kernel extraction rates.

Average selling price realization of CPO and PK for the current quarter were RM2,189 and RM1,669 per tonne respectively as compared to the preceding year corresponding quarter of RM2,159 per tonne for CPO and RM1,381 per tonne for PK.

The lower PBT for the current quarter was a consequence of the lower revenue and higher manuring costs due to the timing of fertilizers application whilst PAT was above the preceding year corresponding quarter, benefitted from lower deferred tax liabilities arising from the reduction of statutory tax rate from 25% to 24%.

Overall, Group PBT and PAT for the year at RM120.2 million and RM96.4 million were lower than the preceding year by 32% and 25% respectively, primarily due to lower average selling prices and lower sales volume of CPO and PK. Consequently, basic earnings per share for the year decreased to 12.06 sen from 16.04 sen in the preceding year.

2. Comments on material changes in the profit before tax for the quarter reported as compared with the preceding quarter

Group PBT for the current quarter was 26% higher than the preceding quarter of RM30.1 million, benefitted from higher sales volume and higher average selling price of CPO and PK.

CPO and PK sales volume for the current quarter were 6% and 32% higher than the preceding quarter of 41,057 tonnes and 9,239 tonnes respectively whilst average selling price per tonne of CPO and PK were 5% and 21% higher than the preceding quarter of RM2,086 and RM1,379 respectively.

3. Current year prospects

Palm oil prices continue to be uncertain on the back of declining exports and weaker prices of competing soybean oil. Although palm oil inventory has declined from its peak of 2.91 million tonnes in November 2015 to 2.31 million tonnes in January 2016, the inventory level is still high as compared to prior year's 1.76 million tonnes. The El-Nino phenomenon may provide some relief as palm oil production is expected to decline which may reduce palm oil inventories in the coming months and support higher palm oil prices.

The increase in the minimum wage of employees with effect from July 2016 will increase labour cost across the plantation industry in Malaysia. The Group will continue with its ongoing efforts to improve FFB yield, CPO and PK extraction rates. These efforts may somewhat mitigate the impact of the increase in labour cost.

Notwithstanding the foregoing, the Group is cautiously optimistic of achieving satisfactory results for the current financial year ending 31 December 2016.

4. Variances between actual profit and forecast profit

Variances between actual profit and forecast profit are not applicable as the Company has not provided any profit forecast in any public document.

5. Profit for the period

	Quarter ended		Year ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	641	845	2,221	5,201
Dividend income	1,057	734	3,777	734
Foreign exchange (loss)/gain	(488)	-	1,299	-
Depreciation and amortisation	(7,638)	(7,313)	(30,000)	(29,308)
Property, plant and equipment written off	(1,493)	(208)	(1,686)	(208)
Loss on disposal of property, plant and equipment	(70)	(21)	(154)	(73)

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements are not applicable.

6. Tax expense

	Quarter ended		Year ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	7,521	13,012	32,199	47,332
- deferred tax	(5,770)	1,037	(7,710)	687
	1,751	14,049	24,489	48,019
In respect of prior period				
- income tax	-	-	98	(178)
- deferred tax	(809)	(85)	(809)	(85)
	(809)	(85)	(711)	(263)
	942	13,964	23,778	47,756

The Group's effective tax rates for the current quarter and year excluding under/(over) provision of tax in respect of prior period were lower than the statutory tax rate mainly due to adjustments arising from the reduction in statutory rate on deferred tax liabilities. The Group's effective tax rates for the preceding year corresponding quarter and year were above the statutory tax rate due to certain expenses being disallowed for tax purposes.

7. Status of corporate proposals announced but not completed at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report

There was no corporate proposal announced but not completed as at 18 February 2016.

8. Borrowings and debt securities

The Group does not have any borrowing nor debt security.

9. **Changes in material litigation (including status of any pending material litigation) since the date of the last annual statement of financial position which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report**

Except for the following, there was no other material litigation since the date of the last annual statement of financial position:

- (a) Hap Seng Plantations (River Estates) Sdn Bhd [“RESB”], the wholly-owned subsidiary of the Company, is the registered and beneficial proprietor of all that parcel of land held under CL095310017, District of Kinabatangan, State of Sabah measuring approximately 6,454 acres [“said Land”]. On 16 January 2012, a purported sale and purchase agreement in respect of the said Land was entered into between Mr. Heng Chin Hing @ Wong Chin Hing (NRIC No. H0699157/570811-12-5731) [“HCH”] as the purported vendor and Excess Interpoint Sdn Bhd [“EISB”] as the purported purchaser [“Purported SPA”]. HCH alleged that he is the donee of a power of attorney dated 8 February 1977 allegedly created in respect of the said Land [“Alleged PA”]. On the basis of the Purported SPA, EISB entered a private caveat on the said Land on 3 April 2012.

On 23 May 2012, RESB filed a writ of summon and an application for interlocutory injunction [“said Interlocutory Injunction Application”] through its solicitors in Kuala Lumpur, Messrs Wong Kian Kheong, against EISB [“1st Defendant”] at the Kuala Lumpur High Court [“KLHC”] vide civil suit no. 22NCVC-631-05/2012 [“RESB Suit”]. On 14 June 2012, the KLHC granted an ad interim injunction in favour of RESB [“said Ad Interim Injunction”] pending disposal of the hearing of the said Interlocutory Injunction Application subject to RESB’s undertaking to pay damages to the 1st Defendant for losses suffered by the 1st Defendant resulting from the said Ad Interim Injunction in the event that the said Ad Interim Injunction is subsequently discharged or set aside. Upon RESB’s application, HCH was added as the second defendant [“2nd Defendant”] to the RESB Suit on 16 June 2012.

RESB is claiming for the following in the RESB Suit:

- (i) That RESB be declared as the registered and beneficial owner of the said Land;
- (ii) That the Purported SPA be declared null and void;
- (iii) That the Alleged PA be declared null and void;
- (iv) An injunction restraining the 1st Defendant from:-
 - (a) effecting any further dealings including but not limited to disposal, assignment, transfer, mortgage, charge, lease, tenancy over the said Land with any third party;
 - (b) taking any actions to fulfill the terms and conditions in the Purported SPA; and
 - (c) taking any further action to complete the Purported SPA.
- (v) An injunction restraining the 2nd Defendant from effecting any steps, actions and/or representations in respect of the Alleged PA;
- (vi) Costs of the RESB Suit; and
- (vii) Such further or other relief as the Court deems fit and just.

Upon the 1st Defendant’s application, the RESB Suit was transferred to the High Court of Sabah & Sarawak at Kota Kinabalu on 10 August 2012, subject to the said Ad Interim Injunction continuing to be in effect. With the transfer, RESB is currently represented by the law firm of Messrs Jayasuriya Kah & Co. in Kota Kinabalu. The RESB Suit is presently stayed pending determination by the Federal Court on the constitutionality of the transfer of civil suits from West Malaysia to the High Court of Sabah and Sarawak and vice versa.

The Company has been advised by both Messrs Wong Kian Kheong and Messrs Jayasuriya Kah & Co., that RESB has good grounds to succeed in the RESB Suit.

9. **Changes in material litigation (including status of any pending material litigation) since the date of the last annual statement of financial position which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report (continued)**

- (b) Chee Ah Nun @ Sia Yi Chan (NRIC No. 550808-12-5663) ["SYC" or the "Plaintiff"] has filed a separate legal suit against RESB in respect of the said Land in the High Court of Sabah & Sarawak at Kota Kinabalu vide originating summon no. BKI-24-127/5-2012, and the same was served on RESB on 11 June 2012 [the "KK Suit"].

The KK Suit is premised on a purported deed of appointment of substitute by attorney dated 24 June 2010 ["Alleged Deed of Substitute"] allegedly executed by HCH pursuant to which HCH had allegedly divested to SYC all his interests or claims on the said Land pursuant to the Alleged PA.

SYC is claiming for the following in the KK Suit:

- (i) that by virtue of the Alleged PA, RESB had allegedly divested its ownership and all interests or claims to the said Land to HCH;
- (ii) that pursuant to the Alleged Deed of Substitute, SYC is the beneficial owner and has rights to take possession of the said Land;
- (iii) an order that RESB forthwith deliver vacant possession of the said Land to SYC free of encumbrances with all fixtures and crops planted thereon;
- (iv) an injunction restraining RESB, its servants and/or employees or agents from harvesting crops on the said Land or removing anything thereon and/or otherwise from doing anything or interfering with SYC's rights thereon;
- (v) costs of the KK Suit; and
- (vi) such further or other relief as the Court deems fit and just.

The application by RESB to convert the KK Suit into a writ action ["Conversion Application"] was heard on both 23 October 2012 and 26 November 2012 and is currently pending decision. Consistent with the RESB Suit stated in Note 9(a) above, the KK Suit is stayed pending determination by the Federal Court on the constitutionality of the transfer of civil suits from West Malaysia to the High Court of Sabah and Sarawak and vice versa.

The Company has been advised by its solicitors, Messrs Jayasuriya Kah & Co., that the KK Suit is unlikely to succeed.

- (c) Pelipikan Plantation Sdn Bhd ["PPSB"], the wholly-owned subsidiary of the Company is the registered sub-lessee of all those 251 pieces of land measuring approximately 1,364.91 hectares situated in Kg. Natu in the district of Kota Marudu, Sabah ["Pelipikan Sub-Leased Lands"]. A writ of summon ["said Writ"] was filed on 7 August 2014 by 94 natives of Sabah ["Plaintiffs"] represented by Messrs Sugumar & Co. claiming interest and ownership, legal and beneficial in respect of 113 parcels of land which form part of the Pelipikan Sub-Leased Lands ["said 113 Titles"] in the High Court of Sabah and Sarawak at Kota Kinabalu vide suit no. BKI-22NCvC66/8-2014 (HC2) ["KKHC"], naming one Hatija Binti Hassan as first defendant, one Juniah @ Rubiah Bt. Okk Zainal as second defendant and PPSB as the third defendant ["said Suit"]. The said 113 Titles represent approximately 1.31% of the Group's total land holdings.

In the said Writ, the Plaintiffs alleged, inter-alia the following:

- (i) acting on a purported power of attorney P/A No. 5391/03, one Sikit @ Lanjim bin Sarapong ["Sikit"] transferred the Pelipikan Sub-Leased Lands on behalf of the Plaintiffs to the first and second defendants and created a sublease in favour of PPSB;
- (ii) the transfer of the said 113 Titles from the Plaintiffs to Sikit, the subsequent transfer from Sikit to the first and second defendants and the sublease created in favour of PPSB were effected via forged documents and/or illegal means;
- (iii) that the first and second defendants are not bona-fide third party purchasers of the said 113 Titles for value without notice; and
- (iv) that PPSB is not a bona-fide third party sub-lessee of the said 113 Titles for value without notice.

9. Changes in material litigation (including status of any pending material litigation) since the date of the last annual statement of financial position which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report (continued)

(c) (continued)

On 15 May 2015, the parties in the said Suit recorded the following terms by way of a consent order before the KKHC:

- (i) that the claims filed under the said Suit by the Plaintiffs be and are struck off;
- (ii) that the Plaintiffs are not entitled to possession of the said 113 Titles;
- (iii) that the first, second and third defendants are absolutely entitled to quiet enjoyment and possession of the said 113 Titles;
- (iv) that the Plaintiffs are not entitled to legal and beneficial ownership of the said 113 Titles;
- (v) that the registration of transfer of the said 113 Titles in favour of Sikit is valid and of full legal effect;
- (vi) that the registration of transfer of the said 113 Titles by Sikit in favour of the first and second defendants is valid and of full legal effect;
- (vii) that the registration of the sublease of the said 113 Titles by Sikit in favour of the third defendant is valid and of full legal effect;
- (viii) that the claim for an order directing the first, second and third defendants to give vacant possession of the said 113 Titles to the Plaintiffs is dismissed;
- (ix) that the claim for an order directing the Assistant Collector of Land Revenue, Kota Marudu, Sabah to remove and delete forthwith the registration of the transfer of the said 113 Titles effected in favour of Sikit and the first and second defendants is dismissed;
- (x) that the claim for an order directing the Assistant Collector of Land Revenue, Kota Marudu, Sabah to remove and delete forthwith the registration of the sublease of the said 113 Titles effected by Sikit in favour of the third defendant be and is dismissed;
- (xi) an injunction be and is hereby granted restraining the Plaintiffs, their agents, servants, representatives or anyone claiming under them from interfering in any way whatsoever with the quiet enjoyment and possession by the first, second and third defendants of the said 113 Titles;
- (xii) that there shall be no order as to costs;
- (xiii) an order be and is hereby granted directing the Assistant Collector of Land Revenue, Kota Marudu, Sabah to remove and delete forthwith the Collector's Caveats affecting the said 113 Titles;
- (xiv) that the Plaintiffs shall assist and support any applications by the first, second and third defendants to the Assistant Collector of Land Revenue, Kota Marudu, Sabah to remove and delete forthwith the Collector's Caveats affecting the said Lands; and
- (xv) the Plaintiffs shall assist, support and protect the interests of the first, second and third defendants in respect of the said Lands.

10. Derivatives

The Group did not enter into any derivative contract and accordingly there was no outstanding derivative as at the end of the financial year.

11. Gains/Losses arising from fair value changes of financial liabilities

There was no gain/loss arising from fair value changes of financial liabilities for the current quarter under review as all the Group's financial liabilities are measured at amortised cost.

12. Disclosure of realised and unrealised profits or losses (unaudited)

	As at 31.12.2015	As at 31.12.2014
	RM'000	RM'000 <i>(Audited)</i>
Total retained earnings of the Company and its subsidiaries:		
- Realised	893,097	872,593
- Unrealised	(132,689)	(138,179)
	<u>760,408</u>	<u>734,414</u>
Less: Consolidation adjustments	(255,170)	(261,648)
Total Group retained earnings as per consolidated financial statements	<u><u>505,238</u></u>	<u><u>472,766</u></u>

13. Earnings per share ["EPS"]

- (a) The basic EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company as follows:

	Quarter Ended		Year ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit attributable to owners of the Company (RM'000)	<u>37,044</u>	<u>35,923</u>	<u>96,448</u>	<u>128,312</u>
Weighted average number of ordinary shares in issue	<u>799,701</u>	<u>799,706</u>	<u>799,702</u>	<u>799,729</u>
Basic EPS (sen)	<u>4.63</u>	<u>4.49</u>	<u>12.06</u>	<u>16.04</u>

- (b) The Company does not have any diluted EPS.

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14. Dividend

Dividends for the current financial year ended 31 December 2015 are as follows:

- (a) First interim dividend of 3 sen (2014: 6 sen) per ordinary share under the single tier system which is tax exempt in the hands of the shareholders. The said first interim dividend was approved by the Board of Directors on 25 August 2015 and paid on 29 September 2015;
- (b) The Board of Directors has on even date approved the following second interim dividend for the year ended 31 December 2015:
- | | |
|---|---|
| (i) Amount per ordinary share of RM1.00 each
- Second Interim Dividend | 5 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |
| (ii) Previous year corresponding period:
Amount per ordinary share of RM1.00 each
- Second Interim Dividend | 5 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |
| (iii) Total dividend for the current financial year:
Amount per ordinary share of RM1.00 each | 8 sen (2014: 11 sen) per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |
- (c) This dividend will be payable on 24 March 2016; and
- (d) In respect of deposited securities, entitlement to the dividend will be determined on the basis of the record of depositors as at 9 March 2016.

NOTICE OF SECOND INTERIM DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN that the second interim dividend of 5 sen per ordinary share of RM1.00 each under the single-tier system which is tax exempt in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967 in respect of the financial year ended 31 December 2015 will be payable in cash on 24 March 2016 to the shareholders whose names appear on the Company's Record of Depositors at the close of business on 9 March 2016.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the depositor's securities account before 4.00 p.m. on 9 March 2016 in respect of transfers; and
- (b) shares bought on the Bursa Malaysia Securities Berhad ["Bursa Securities"] on a cum entitlement basis according to the Rules of the Bursa Securities.

15. Auditors' report on preceding annual financial statements

The auditors' report in respect of the financial statements of the Company for the preceding financial year ended 31 December 2014 was not subject to any qualification.

16. Others

In its approval letter dated 23 July 2007 approving the initial public offering of the Company, the Securities Commission [“SC”] requires, inter alia, the Company to resolve the issue on the requirement to transfer 30% of Litang Estate/equity in Hap Seng Plantations (Wecan) Sdn Bhd to natives within the time period stipulated therein [“SC Condition”].

As announced on 31 July 2012, the Land and Survey Department in Kota Kinabalu had granted a further extension of time to July 2017 [“said Extension”] for the transfer of 30% of the undivided share of the Litang Estate or 30% equity in Hap Seng Plantations (Wecan) Sdn Bhd, the wholly-owned subsidiary of the Company to natives.

SC had via its letter dated 3 September 2012 resolved not to impose time stipulation on the Company to resolve the issue on SC Condition. However, the Company is to continue to pursue the matter with the relevant authority subject to the following:

- (i) the Company is to disclose the efforts taken and the status of the compliance with the Litang Estate Condition in the annual report until such time the condition is fulfilled;
- (ii) the Company and/or CIMB Investment Bank Berhad [“CIMB”] is/are to make quarterly announcements to Bursa Malaysia Securities Berhad until such time the condition is fulfilled; and
- (iii) the Company and/or CIMB is/are to update the SC when such disclosure is made in the annual report.

It is a condition of the Litang Estate that “Transfer and sublease of this title is prohibited until such time as the said land has been fully developed in accordance with the terms and conditions herein except as provided above”.

To the best of the Company’s knowledge, the said Extension was granted on the basis that frequent floods had hindered the full development or planting up of the Litang Estate in accordance with the title conditions.

As part of its effort to comply with the SC condition, the Company has taken the following steps to fully develop the Litang Estate:

- (i) constructing of a drain for every 4 rows of palms;
- (ii) regular de-silting of drains in and around the affected region;
- (iii) protect and maintain riparian reserves to prevent and reduce the rate of siltation of drains and rivers through soil erosion;
- (iv) re-supply palms killed after every flood event until such time the palms are able to survive through the floods;
- (v) specially formulated fertilizer recommendations provided to affected areas; and
- (vi) palms planted on platforms for lower lying areas.

BY ORDER OF THE BOARD

CHEAH YEE LENG
LIM GUAN NEE
Secretaries

Kuala Lumpur
23 February 2016