



**SARAWAK PLANTATION BERHAD**  
(Incorporated in Malaysia - 451377- P)

# INTERIM REPORT FOR 1ST QUARTER ENDED 31 MARCH 2015



**SARAWAK PLANTATION BERHAD**

(Incorporated in Malaysia - 451377- P)

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**INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015**  
**(The figures have not been audited)**

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

	Notes	As At End Of Current Year Quarter 31/03/2015 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2014 (Audited) RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		316,136	321,502
Plantation development expenditure		280,598	277,425
Investment property		4,912	4,954
<b>Total non-current assets</b>		<b>601,646</b>	<b>603,881</b>
<b>Current assets</b>			
Other investments	B6	1,894	1,868
Inventories		23,452	18,827
Trade and other receivables		18,218	19,726
Prepayments and other assets		4,236	4,106
Current tax recoverable		3,542	7,444
Cash and bank balances		129,208	113,173
		180,550	165,144
Assets held for sale		949	2,341
<b>Total current assets</b>		<b>181,499</b>	<b>167,485</b>
<b>TOTAL ASSETS</b>		<b>783,145</b>	<b>771,366</b>

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

(The figures have not been audited)

		<b>As At End Of Current Year Quarter 31/03/2015 (Unaudited) RM'000</b>	<b>As At End Of Preceding Financial Year 31/12/2014 (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		274,351	275,321
		<u>615,320</u>	<u>616,290</u>
<b>Non-controlling interests</b>		<u>(6,262)</u>	<u>(6,078)</u>
<b>Total equity</b>		<u>609,058</u>	<u>610,212</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		55,046	56,046
Loans and Borrowings	B7	6,889	2,772
<b>Total non-current liabilities</b>		<u>61,935</u>	<u>58,818</u>
<b>Current liabilities</b>			
Trade and other payables		55,496	65,955
Loans and Borrowings	B7	56,451	36,176
Current tax payable		205	205
<b>Total current liabilities</b>		<u>112,152</u>	<u>102,336</u>
<b>Total liabilities</b>		<u>174,087</u>	<u>161,154</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>783,145</u>	<u>771,366</u>
<b>Net assets per share attributable to Owners of the Company (RM)</b>		<u>2.20</u>	<u>2.20</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 (Q1)		Cumulative Quarter (3 Months)	
		Current Year Quarter 31/03/2015 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/03/2014 (Unaudited) RM'000	Current Year - Period To Date 31/03/2015 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2014 (Unaudited) RM'000
Revenue		70,911	104,005	70,911	104,005
Cost of sales		(58,405)	(70,736)	(58,405)	(70,736)
<b>Gross profit</b>		12,506	33,269	12,506	33,269
Other operating income		6,257	389	6,257	389
Distribution costs		(4,153)	(5,808)	(4,153)	(5,808)
Administrative expenses		(5,049)	(6,239)	(5,049)	(6,239)
Replanting expenditure		(2,697)	(242)	(2,697)	(242)
<b>Results from operating activities</b>		6,864	21,369	6,864	21,369
Finance income		877	810	877	810
Finance costs		(469)	(316)	(469)	(316)
<b>Net finance income</b>		408	494	408	494
<b>Profit before tax</b>	A14	7,272	21,863	7,272	21,863
Income tax expense	B5	(39)	(4,718)	(39)	(4,718)
<b>Profit for the period</b>		7,233	17,145	7,233	17,145
<b>Other comprehensive income, net of tax</b>		-	-	-	-
<b>Profit and total comprehensive income for the period</b>		7,233	17,145	7,233	17,145

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

	Notes	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
		31/03/2015	31/03/2014	31/03/2015	31/03/2014
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		RM'000	RM'000	RM'000	RM'000
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		7,417	17,410	7,417	17,410
Non-controlling interests		(184)	(265)	(184)	(265)
<b>Profit for the period</b>		<b>7,233</b>	<b>17,145</b>	<b>7,233</b>	<b>17,145</b>
<b>Profit and total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		7,417	17,410	7,417	17,410
Non-controlling interests		(184)	(265)	(184)	(265)
<b>Profit and total comprehensive income for the period</b>		<b>7,233</b>	<b>17,145</b>	<b>7,233</b>	<b>17,145</b>
<b>Basic earnings per ordinary share attributable to Owners of the Company (sen):</b>					
<b>Basic</b>	B12	2.65	6.23	2.65	6.23
<b>Diluted</b>	B12	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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			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	Non- controlling interests RM'000	
<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>		-	-	-	-	-	7,417	7,417	(184)	7,233
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2014	B11	-	-	-	-	-	(8,387)	(8,387)	-	(8,387)
<b>At 31 March 2015</b>		280,000	280,000	60,969	493	(1,223)	275,081	615,320	(6,262)	609,058

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this report)



**Condensed Consolidated Statement of Changes in Equity**  
(The figures have not been audited)

Notes	Attributable to Owners of the Company									
	Non-distributable						Distributable			
	Issued and paid up ordinary shares of RM1.00 each						Retained earnings RM'000	Total RM'000	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					
<b>At 31 December 2013</b>	280,000	280,000	60,969	493	(1,223)	242,715	582,954	(5,671)	577,283	
<b>Profit and total comprehensive income for the period</b>	-	-	-	-	-	17,410	17,410	(265)	17,145	
Less: Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2013	-	-	-	-	-	(11,182)	(11,182)	-	(11,182)	
<b>At 31 March 2014</b>	280,000	280,000	60,969	493	(1,223)	248,943	589,182	(5,936)	583,246	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this report)



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

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/03/2015 (Unaudited) RM'000	Preceding Year - Period To Date 31/03/2014 (Unaudited) RM'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>7,272</b>	<b>21,863</b>
<i>Adjustments for:</i>		
Depreciation of investment property	42	42
Change in fair value of other investments	(15)	(34)
Depreciation of plantation development expenditure	55	55
Depreciation of property, plant and equipment	5,400	5,225
Dividend income from other investments	(6)	(31)
(Loss)/ gain on disposal of other investments	(1)	27
Gain on disposal of property, plant and equipment	(206)	-
Gain on disposal of asset held for sale	(5,808)	-
Finance income	(877)	(810)
Finance costs	469	316
Property, plant and equipment written off	258	131
<b>Operating profit before changes in working capital</b>	<b>6,583</b>	<b>26,784</b>
Change in inventories	(4,625)	(26)
Change in trade and other receivables, prepayments and other assets	1,505	3,262
Change in trade and other payables	(19,656)	(10,186)
<b>Cash (used in)/ generated from operations</b>	<b>(16,193)</b>	<b>19,834</b>
Income tax refunded	5,522	-
Income tax paid	(2,659)	(1,365)
Interest paid	(443)	(712)
Finance lease profit paid	(27)	(41)
Interest received	748	741
<b>Net cash (used in)/ from operating activities</b>	<b>(13,052)</b>	<b>18,457</b>



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

	<b>Cumulative Quarter (3 Months)</b>	
	<b>Current Year - Period To Date 31/03/2015 (Unaudited) RM'000</b>	<b>Preceding Year - Period To Date 31/03/2014 (Unaudited) RM'000</b>
<b>Cash flows from investing activities</b>		
Dividend received	-	29
Acquisition of property, plant and equipment	(265)	(897)
Net movement of fixed deposits with original maturities of more than three months	(63)	(33)
Plantation development expenditure (net of depreciation and finance costs capitalised)	(2,240)	(4,023)
Proceed on disposal of Asset held for sale	7,200	-
<b>Net cash from/(used in) investing activities</b>	<b>4,632</b>	<b>(4,924)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	25,460	6,000
Repayment of borrowings	(1,068)	(11,523)
Dividends paid to owners of the Company	-	(11,182)
<b>Net cash from/(used in) financing activities</b>	<b>24,392</b>	<b>(16,705)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>15,972</b>	<b>(3,172)</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>106,353</b>	<b>109,499</b>
<b>Cash and cash equivalents as at 31 March</b>	<b>122,325</b>	<b>106,327</b>
<b>Represented by:</b>		
Short term deposits	119,493	109,602
Cash and bank balances	9,715	4,649
Less:	129,208	<b>114,251</b>
Fixed deposits with original maturities exceeding three months	(6,883)	(7,924)
<b>Cash and cash equivalents</b>	<b>122,325</b>	<b>106,327</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying notes attached to this report)



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

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**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 2014.

**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 2014 except for the adoption of the following new/revised accounting standards, amendments and interpretations that have been issued by Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

<b>Standards / Amendments / Interpretations</b>	<b>Effective date</b>
Amendments to FRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvement to FRSs 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to FRS 7, <i>Financial Instruments : Disclosures ((Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
Amendments 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>	1 January 2016
Amendments to FRS 10, <i>Consolidated Financial Statements</i> , 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 119, <i>Employee Benefits (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016
FRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 127, <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 134, <i>Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)</i>	1 January 2016



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

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

**2. Significant accounting policies**

**2.2 Malaysian Financial Reporting Standards**

On 7 August 2013, MASB made an announcement to allow transitioning entities to defer the adoption of the Malaysian Financial Reporting Standards (“MFRS”). Transitioning entities will have to adopt the MFRS when mandated by MASB.

On 2 September 2014, MASB has announced that transitioning entities shall be required to apply the Malaysian Financial Reporting Standards (“MFRS”) for annual periods beginning on or after 1 January 2017.

The Group’s financial statements for annual period beginning on 1 January 2017 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 114)</i>	1 January 2016
MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2017
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

Material impacts of the initial application of the above accounting standards, which are or are likely to be 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 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*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.



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

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

**2. Significant accounting policies**

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

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

MFRS 9 replaces the guidance in FRS39, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities.

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.

**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.

**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 (3 Months)</b>	
	<b>Current Year</b>	<b>Preceding Year</b>
	<b>- Period To Date</b>	<b>- Period To Date</b>
	<b>31/03/2015</b>	<b>31/03/2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2013		
- 4 sen per ordinary share	-	11,182
	<hr/>	<hr/>
	-	11,182
	<hr/>	<hr/>

**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 (Q1) / Cumulative Quarter (3 Months)**

	Investment holding RM'000	Oil palm operations RM'000	Management services and Rental RM'000	Consolidated RM'000
<b>31/03/2015</b>				
<b>Revenue</b>				
Segment revenue	3,500	70,671	988	75,159
Inter-segment revenue	(3,500)	-	(748)	(4,248)
External revenue	-	70,671	240	70,911
<b>Cost of sales</b>				
Segment cost of sales	-	(57,953)	(508)	(58,461)
Inter-segment cost of sales	-	11	45	56
External cost of sales	-	(57,942)	(463)	(58,405)
<b>Gross profit/(loss)</b>	-	12,729	(223)	12,506
Other income including finance income	848	932	5,926	7,706
Inter-segment	(382)	(184)	(6)	(572)
External other income	466	748	5,920	7,134
Other expenses including finance costs	(793)	(12,400)	(439)	(13,632)
Inter-segment	27	958	279	1,264
External other expenses	(766)	(11,442)	(160)	(12,368)
<b>(Loss)/Profit before tax</b>	(300)	2,035	5,537	7,272



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

**A7. Segment Information (continued)**

**Individual Quarter (Q1) / Cumulative Quarter (3 Months)**

	Investment holding RM'000	Oil palm operations RM'000	Management services and Rental RM'000	Consolidated RM'000
<b>31/03/2014</b>				
<b>Revenue</b>				
Segment revenue	10,000	103,694	1,111	114,805
Inter-segment revenue	(10,000)	-	(800)	(10,800)
External revenue	-	103,694	311	104,005
<b>Cost of sales</b>				
Segment cost of sales	-	(70,399)	(522)	(70,921)
Inter-segment cost of sales	-	5	180	185
External cost of sales	-	(70,394)	(342)	(70,736)
<b>Gross profit</b>	-	33,300	(31)	33,269
Other income including finance income	829	809	150	1,788
Inter-segment	(359)	(222)	(8)	(589)
External other income	470	587	142	1,199
Other expenses including finance costs	(1,233)	(12,014)	(562)	(13,809)
Inter-segment	40	934	230	1,204
External other expenses	(1,193)	(11,080)	(332)	(12,605)
<b>(Loss)/Profit before tax</b>	(723)	22,807	(221)	21,863

**Segment assets and liabilities**

	<b>As At End Of Current Financial Period 31/03/2015</b>
<b>Segment assets:</b>	
Oil palm operations	690,261
Investment holding	388,492
Management services and rental	45,835
Total	1,124,588
Elimination	(341,443)
<b>Total assets</b>	<b>783,145</b>



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

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**A7. Segment Information (continued)**

	<b>As At End Of Current Financial Period 31/03/2015</b>
<b>Segment liabilities:</b>	
Oil palm operations	210,725
Investment holding	10,352
Management services and rental	10,883
Total	<u>231,960</u>
Elimination	<u>(57,873)</u>
<b>Total liabilities</b>	<u><u>174,087</u></u>

**A8. Impairment of Assets**

There was neither impairment loss nor reversal of such impairment loss recognised during the current interim financial period.

**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 March 2015, 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.

The voluntary winding up of five subsidiaries is in progress. The winding up proceedings of these subsidiaries, is not expected to have material impact on the financial statements of the Group and the Company.

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

As at 31 March 2015, 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 31/03/2015 RM'000</b>
As at that date, the Company has contingent liabilities as follows:	
Corporate guarantees for banking facilities granted to subsidiaries	<u>242,000</u>





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

**A12. Capital Expenditure Commitments**

As at 31 March 2015, 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 31/03/2015</b>
	<b>RM'000</b>
<b>Capital Expenditure</b>	
Authorised and contracted for	20,221
Authorised and not contracted for	116,442
	<u>136,663</u>
<b>Analysed as follows:</b>	
Property, plant and equipment	81,157
Plantation development expenditure	55,506
	<u>136,663</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 (3 Months)</b>	
	<b>Current Year - Period To Date 31/03/2015 RM'000</b>	<b>Preceding Year - Period To Date 31/03/2014 RM'000</b>
a. Sarawak Land Development Board ("SLDB")		
- Receipts of proceeds from sales of fresh fruit bunches on behalf of SLDB*	399	475
- Payment of expenses on behalf of SLDB*	(223)	(250)
- Management fee in relation to the management of the Plantation of SLDB	(20)	-
b. KUB Sepadu Sdn. Bhd.		
- Purchase of fresh fruit bunches	2,676	3,240
c. Danawa Resources Sdn. Bhd.		
- Rental and support charges for satellite broadband services	108	108
d. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance and implementation costs	153	31
e. Ta Ann Pelita Igan Sdn. Bhd.		
- Laboratory services	(6)	(2)
	<u>        </u>	<u>        </u>

\* In the course of the management of the plantation of SLDB by a subsidiary.

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 (Q1)		Cumulative Quarter(3 Months)	
	Current Year Quarter 31/03/2015 RM'000	Preceding Year Corresponding Quarter 31/03/2014 RM'000	Current Year - Period To Date 31/03/2015 RM'000	Preceding Year - Period To Date 31/03/2014 RM'000
<b>Profit before tax is arrived at after charging:</b>				
Depreciation of investment property	42	42	42	42
Depreciation of plantation development expenditure	55	55	55	55
Depreciation of property, plant and equipment	5,400	5,225	5,400	5,225
Impairment of losses:				
Property, plant and equipment written off	258	131	258	131
Loss on disposal of other investments	-	27	-	27
Finance costs	469	316	469	316
<b>Profit before tax is arrived at after crediting:</b>				
Dividend income from other investments	6	31	6	31
Change in fair value of other investments	15	34	15	34
Gain on disposal of other investments	1	-	1	-
Other operating income				
- Gain on disposal of asset held for sale	5,808	-	5,808	-
- Other operating income	449	389	449	389
Finance income	877	810	877	810

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



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

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**B1. Review of Performance**

**Quarter 1, 2015 vs Quarter 1, 2014**

**Three months ended 31 March 2015 vs Three months ended 31 March 2014**

The Group recorded revenue of RM71 million in the current financial period ended 31 March 2015 compared with RM104 million reported in the corresponding period of the preceding year. The Group recorded a profit before tax of RM7.3 million for the current financial period as compared to a profit before tax of RM21.9 million for the corresponding period of the preceding year. The decrease was principally due to the effect of lower realised average selling prices and lower sales volumes for CPO and PK and during the current financial period, partially offset by a gain on disposal of land recognised by a subsidiary amounted to RM5.8 million.

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

Oil palm operations

For the current financial period, the oil palm operations segment contributed 99.7% of the Group revenue of RM71 million.

The revenue of the oil palm operations decreased by RM33 million to RM70.7 million in the current financial period compared with RM103.7 million reported in the corresponding period of the preceding year. The decrease was principally attributed to the effect of lower realised average selling prices of CPO and PK and lower sales volumes for CPO and PK.

The CPO and PK realised average selling prices had decreased by approximately 15.5% and 13.1% whereas the sales volumes of CPO and PK had decreased by approximately 20.4% and 14.3% respectively for the current financial period.

The gross profit and profit before tax for the oil palm operations decreased by RM20.6 million and RM 20.8 million, respectively for the current financial period under review as compared to the corresponding period of the preceding year, in line with the decrease in revenue.

Other segments

Other segments' results are insignificant to the Group, except for a gain on disposal of land of RM5.8 million recognised for Management services and Rental segment.

**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 RM7.3 million as compared to a profit before tax of RM25.3 million in the preceding quarter. The decrease was principally attributed to the effect of lower sales volumes for CPO and PK offsetted by higher realised average selling prices of CPO and PK. In addition, there was a reversal of prior year's impairment loss of RM28.5 million recognised as other operating income in the preceding quarter against a gain of disposal of land of RM5.8 million recognised in the current quarter.

The sales volumes of CPO and PK had decreased by approximately by 31.2% and 32.6%, whereas the realised average selling prices of CPO and PK had increased approximately by 3.2% and 29.1% respectively.

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B3. Prospects for the Current Financial Year**

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

Barring any unforeseen circumstances, the Group expects to perform satisfactorily for the current financial year.

**B4. Profit Forecast or Profit Guarantee**

The disclosure requirement for explanatory notes for the variance of actual profit after income tax expense and non-controlling interests and forecast profit after income tax expense and non-controlling interests are not applicable as the Group did not issue any profit forecast or profit guarantee for the financial year.

**B5. Income Tax Expense**

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
	31/03/2015	31/03/2014	31/03/2015	31/03/2014
	RM'000	RM'000	RM'000	RM'000
Current tax expense	1,039	5,018	1,039	5,018
Deferred tax income	(1,000)	(300)	(1,000)	(300)
	39	4,718	39	4,718

The Group's effective tax rate for the financial period ended 31 March 2015 is lower than the statutory tax rate principally due to the utilisation of tax allowances available for offset against taxable profit.

**B6. Quoted Investments**

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

The investments in quoted securities as at 31 March 2015 are as follows:

Quoted in Malaysia

	At 31/03/2015 RM'000
<u>Current</u>	
Financial assets at fair value through profit or loss	1,894

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B7. Loans and Borrowings**

	<b>At 31/03/2015</b>
	<b>RM'000</b>
<u>Current</u>	
Revolving credit - secured	50,000
Revolving credit - <i>i</i> - secured	3,000
Term loan - unsecured	2,240
Finance lease liabilities (Hire purchase - <i>i</i> )	1,211
	<u>56,451</u>
<u>Non-current</u>	
Term Loan (Term Financing – <i>i</i> ) - secured	6,176
Finance lease liabilities (Hire purchase - <i>i</i> )	713
	<u>6,889</u>
Total loans and borrowings	<u>63,340</u>

**(a) Secured facilities****Revolving Credits**

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.

The effective interest rate of this revolving credit is 4.90% 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 March 2015, the unutilised revolving credit facility that remains available to the Group amounting to RM 27 million.

The Revolving Credit – *i* bear profit rate of 12% per annum, which is equivalent 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*, bear profit rate of 12% per annum, which is equivalent 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.



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

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

- (b) Unsecured facility

**Term loan**

This term loan is secured by way of the Company's corporate guarantee. The loan is for a tenure of 7 years from the date of full drawdown in March 2009 and is repayable by 27 quarterly installments commencing 1 July 2009.

The effective interest rate of the term loan is 5.69% 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.



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

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**B10. Changes in Material Litigation**

As at 16 May 2015 (*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 has fixed the hearing of the Appeal on 19 October 2015.

The Directors, in consultation with SP Suai's Solicitors are of the opinion that SP Suai has basis/grounds for the appeal to the Court of Appeal.

- (b) On 26 June 2012, a subsidiary, Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD") filed a Writ of Summons against a third party ("Defendant") for damages and other reliefs for breach of contract or alternatively refund of deposits of RM2,600,000 in respect of shares in a company and RM7,200,000 in respect of shares in another company paid by SPAD under Sales and Purchase Agreements ("SPA") signed in an earlier year.

The Defendant entered appearance and served a Memorandum of Appearance on SPAD on 13 July 2012. The Statement of Defence was served on SPAD on 22 August 2012.

This matter was consolidated for trial with (c) and (d) below and was jointly tried with (e) below. On 8 August 2014, the Honourable Judge delivered the judgement as follows:

- (i) The Defendant was ordered to pay SPAD the sum of RM2,600,000 with interest at 5% per annum from 21 June 2004 until full settlement as interest for late payment;
- (ii) The Defendant was ordered to pay SPAD the sum of RM7,200,000 with interest at 5% per annum from 1 January 2001 until full settlement.

On 27 August 2014, a Notice of Appeal was filed by the Defendant against the judgement dated 8 August 2014. SPAD filed a Notice of Cross Appeal on 28 October 2014. The Court of Appeal has fixed the hearing of the appeal on 19 August 2015.

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



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

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

- (c) On 26 June 2012, a subsidiary, Sarawak Plantation Agriculture Development Sdn. Bhd. (“SPAD”) filed a Writ of Summons against a third party (“Defendant”) for damages for breach of contract or alternatively refund of deposits of RM15,400,000 in respect of shares in a company paid by SPAD under a Sales and Purchase Agreements (“SPA”) signed in an earlier year.

The Defendant entered appearance and served a Memorandum of Appearance on SPAD on 13 July 2012. The Statement of Defence was served on SPAD on 22 August 2012.

This matter was consolidated for trial with (b) above and (d) below and was jointly tried with (e) below. On 8 August 2014, the Honourable Judge ruled that the Defendant pay SPAD the sum of RM15,400,000 with interest at 5% per annum from 30 November 2007 until full settlement.

On 27 August 2014, a Notice of Appeal was filed by the Defendant against the judgement dated 8 August 2014. SPAD filed a Notice of Cross Appeal on 28 October 2014. The Court of Appeal has fixed the hearing of the appeal on 19 August 2015.

The Directors, in consultation with SPAD’s advocates, are of the opinion that SPAD has strong merits in the Appeal.

- (d) On 26 June 2012, a subsidiary, Sarawak Plantation Agriculture Development Sdn. Bhd. (“SPAD”) filed a Writ of Summons against a third party (“Defendant”) for damages for breach of contract or alternatively refund of deposits RM7,000,000 in respect of shares in a company paid by SPAD under a Sales and Purchase Agreements (“SPA”) signed in an earlier year.

The Defendant entered appearance and served a Memorandum of Appearance on SPAD on 13 July 2012. The Statement of Defence was served on SPAD on 22 August 2012.

This matter was consolidated for trial with (b) and (c) above and was jointly tried with (e) below. On 8 August 2014, the Honourable Judge ruled that the Defendant pay SPAD the sum of RM7,000,000 with interest at 5% per annum from 20 November 2007 until full settlement.

On 27 August 2014, a Notice of Appeal was filed by the Defendant against the judgement dated 8 August 2014. SPAD filed a Notice of Cross Appeal on 28 October 2014. The Court of Appeal has fixed the hearing of the appeal on 19 August 2015.

The Directors, in consultation with SPAD’s advocates, are of the opinion that SPAD has strong merits in the Appeal.





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

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

- (e) On 29 June 2012, a Writ of Summons was filed against Sarawak Plantation Agriculture Development Sdn. Bhd. (“SPAD”) in the High Court in the respect of the same subject matters as stated above in paragraphs (b), (c) and (d). The Writ of Summons was served on 1 August 2012. SPAD filed its Memorandum of Appearance on 13 August 2012.

The Plaintiffs are claiming for damages for alleged breach/repudiation of agreements entered into by each of the Plaintiffs and SPAD in relation to sale of shares by each of the Plaintiffs for shares in third party companies. The Statement of Defence has been served by SPAD.

The matter was jointly tried with (b), (c) and (d) above. On 8 August 2014, the Honourable Judge delivered the judgement as follows:

- (i) In respect of SPA in (c) above, SPAD was ordered to pay the Plaintiffs interest at 8.5% per annum on RM12,100,000 from 1 January 2001 to 29 November 2007;
- (ii) In respect of SPA in (d) above, SPAD was ordered to pay the Plaintiffs interest at 8.5% per annum on RM10,500,000 from 1 January 2001 to 19 November 2007.

On 27 August 2014, a Notice of Appeal was filed by the Plaintiffs against the judgements dated 8 August 2014. SPAD filed a Notice of Cross Appeal on 28 October 2014. The Court of Appeal has fixed the hearing of the appeal on 19 August 2015.

The Directors, in consultation with SPAD’s advocates, are of the opinion that SPAD has strong merits in the Appeal.

- (f) On 13 October 2014, Sarawak Plantation Agriculture Development Sdn Bhd (“SPAD”) was served with legal proceedings by Writ of Summons. SPAD was sued together with two others. The Statement of Claim claimed a parcel of land in the total size of 771.51 hectares that is alleged to be part of Lot 2 Block 4 Buloh Land District as appearing in a community map annexed thereto.

SPAD entered Appearance and Defence and Counterclaim was filed on 4 November 2014. SPAD had also filed a Notice of Application for Further and Better Particulars and the Application was heard on 28 January 2015. The Court dismissed SPAD’s Application on 6 March 2015. On 24 March 2015, SPAD appealed against the Court’s decision to dismiss its Application for Further and Better Particulars. The matter is fixed for trial on 14, 15, 17 and 18 September 2015.

The Directors, in consultation with SPAD’s advocates, are of the opinion that SPAD has strong merits in the Appeal and the case.

- (g) On 25 March 2015, the Company was served with legal proceedings. The Company and SPAD are sued together with four 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 in these legal proceedings on 26 March 2015 and have instructed counsel to defend the Company and SPAD. The matter is fixed for case management on 25 May 2015.

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B11. Dividend Declared**

On 27 February 2015, the Board of Directors declared a second interim, single tier dividend of 3 sen per share, totalling approximately RM8.4 million, in respect of the financial year ended 31 December 2014, which was paid to shareholders on 9 April 2015.

**B12. Earnings per Share**

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/03/2015 RM'000	Preceding Year Corresponding Quarter 31/03/2014 RM'000	Current Year - Period To Date 31/03/2015 RM'000	Preceding Year - Period To Date 31/03/2014 RM'000
Profit attributable to Owners of the Company(RM)	7,417	17,410	7,417	17,410
Weighted average number of ordinary shares in issue (unit)	279,564	279,564	279,564	279,564
Basic earnings per share (sen)	2.65	6.23	2.65	6.23
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 March 2015.



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

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**B13. Retained Earnings**

The retained earnings of the Group as at 31 March 2015 contain unrealised profits, as disclosed below:

	<b>As At End Current Financial Period 31/03/2015 RM'000</b>	<b>As At End Of Preceding Financial Year 31/12/2014 RM'000</b>
Total retained earnings of the Group and its subsidiaries		
Realised	307,363	309,260
Unrealised	(55,062)	(55,804)
	<hr/> 252,301	<hr/> 253,456
Consolidation adjustments	22,780	22,595
Total Group retained earnings as per consolidated accounts	<hr/> <hr/> 275,081	<hr/> <hr/> 276,051

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

The auditors' report on the financial statements for the financial year ended 31 December 2014 was unqualified.

**B15. Review by External Auditors**

The condensed consolidated financial statements of Sarawak Plantation Berhad for the quarter ended 31 March 2015 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 22 May 2015.

*By Order of the Board*

Company Secretary  
Kuching  
22 May 2015