



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

INTERIM REPORT FOR 1ST QUARTER ENDED 31 MARCH 2021



SARAWAK PLANTATION BERHAD
Registration No. 199701035877 (451377-P)
(Incorporated in Malaysia - 451377- P)

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021

(The figures have not been audited)

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**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position

(The figures have not been audited)

	Notes	As At End Of Current Financial period 31/3/2021 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2020 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		272,178	272,968
Bearer plants		332,205	328,840
Right-of-use assets		96,747	97,285
Investment properties		5,766	5,829
Total non-current assets		706,896	704,922
Current assets			
Biological assets		54,999	42,890
Inventories		13,417	16,767
Trade and other receivables		20,735	8,673
Prepayments and other assets		6,023	6,427
Other investments	B6	31,787	16,287
Cash and cash equivalents		64,336	82,041
Total current assets		191,297	173,085
TOTAL ASSETS		898,193	878,007

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

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Condensed Consolidated Statement of Financial Position (continued)

(The figures have not been audited)

		As At End Of Current Financial period 31/3/2021 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2020 (Audited) RM'000
	Notes		
EQUITY AND LIABILITIES			
Equity			
Share capital	A5	340,969	340,969
Reserves		267,908	244,155
Equity attributable to Owners of the Company		608,877	585,124
Non-controlling interests		(9,884)	(9,987)
Total equity		598,993	575,137
Non-current liabilities			
Deferred tax liabilities		126,915	123,974
Loans and borrowings	B7	32,397	46,147
Lease liabilities		2,303	2,543
Total non-current liabilities		161,615	172,664
Current liabilities			
Trade and other payables		61,183	51,212
Loans and borrowings	B7	68,308	57,559
Current tax payable		8,094	7,483
Dividend payable		-	13,952
Total current liabilities		137,585	130,206
Total liabilities		299,200	302,870
TOTAL EQUITY AND LIABILITIES		898,193	878,007
Net assets per share attributable to Owners of the Company (RM)		2.18	2.09

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

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 31/3/2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/3/2020 (Unaudited) RM'000	Current Year - Period To Date 31/3/2021 (Unaudited) RM'000	Preceding Year - Period To Date 31/3/2020 (Unaudited) RM'000
Revenue		145,533	98,881	145,533	98,881
Cost of sales		(114,173)	(79,149)	(114,173)	(79,149)
Gross profit		31,360	19,732	31,360	19,732
Other income		456	274	456	274
Distribution expenses		(8,120)	(5,386)	(8,120)	(5,386)
Administrative expenses		(3,964)	(4,408)	(3,964)	(4,408)
Results from operating activities		19,732	10,212	19,732	10,212
Finance income		408	516	408	516
Finance costs		(300)	(593)	(300)	(593)
Net finance income/(costs)		108	(77)	108	(77)
Operating profit before tax		19,840	10,135	19,840	10,135
Change in fair value of biological assets		12,108	(1,769)	12,108	(1,769)
Profit before tax	A16	31,948	8,366	31,948	8,366
Taxation	B5	(8,092)	(2,384)	(8,092)	(2,384)
Profit after tax		23,856	5,982	23,856	5,982
Other comprehensive income, net of tax		-	-	-	-
Profit and total comprehensive income for the period		23,856	5,982	23,856	5,982

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

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 31/3/2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31/3/2020 (Unaudited) RM'000	Current Year - Period To Date 31/3/2021 (Unaudited) RM'000	Preceding Year - Period To Date 31/3/2020 (Unaudited) RM'000
Profit attributable to:					
Owners of the Company		23,753	5,818	23,753	5,818
Non-controlling interests		103	164	103	164
Profit for the period		23,856	5,982	23,856	5,982
Profit and total comprehensive income attributable to:					
Owners of the Company		23,753	5,818	23,753	5,818
Non-controlling interests		103	164	103	164
Profit and total comprehensive income for the period		23,856	5,982	23,856	5,982
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B12	8.51	2.08	8.51	2.08
Diluted	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 financial year ended 31 December 2020 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity

(The figures have not been audited)

Notes	Attributable to Owners of the Company				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable		Distributable				
	Share capital RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 1 January 2021	340,969	493	(2,105)	245,767	585,124	(9,987)	575,137
Profit and total comprehensive income for the year	-	-	-	23,753	23,753	103	23,856
At 31 March 2021	340,969	493	(2,105)	269,520	608,877	(9,884)	598,993

(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 2020 and the accompanying explanatory notes attached to this report)

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity (continued)

(The figures have not been audited)

	Attributable to Owners of the Company						Non-controlling interests RM'000	Total equity RM'000
	Notes	Non-distributable		Distributable		Total RM'000		
		Share capital RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 1 January 2020		340,969	493	(2,105)	212,676	552,033	(10,639)	541,394
Profit and total comprehensive income for the year		-	-	-	5,818	5,818	164	5,982
At 31 March 2020		340,969	493	(2,105)	218,494	557,851	(10,475)	547,376

(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 2020 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 31/3/2021 (Unaudited) RM'000	Preceding Year - Period To Date 31/3/2020 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	31,948	8,366
<i>Adjustments for:</i>		
Change in fair value of biological assets	(12,108)	1,769
Depreciation of property, plant and equipment	4,520	3,633
Depreciation of bearer plants	3,987	3,138
Depreciation of investment properties	63	42
Depreciation of right -of- use assets	356	505
Gain on disposal of property, plant and equipment	-	(115)
Property, plant and equipment written off	36	204
Finance income	(408)	(516)
Finance costs	300	593
Operating profit before changes in working capital	28,694	17,619
Change in inventories	3,350	(199)
Change in trade and other receivables, deposits and prepayments	(11,597)	(1,980)
Change in trade and other payables	5,089	(7,884)
Cash generated from operations	25,536	7,556
Tax paid	(4,499)	(342)
Interest/Profit paid	(845)	(1,386)
Hire purchase facility interest/profit paid	(85)	(156)
Interest received	306	567
Net cash from operating activities	20,413	6,239



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

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/3/2021 (Unaudited) RM'000	Preceding Year - Period To Date 31/3/2020 (Unaudited) RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(738)	(1,075)
Net movement of deposits with original maturities exceeding three months	(15,500)	1,254
Bearer plants (net of depreciation)	(4,431)	(5,764)
Proceed from sale of property, plant & equipment	-	270
Net cash used in investing activities	(20,669)	(5,315)
Cash flows from financing activities		
Net proceeds from term loans and revolving credits	8,000	15,110
Dividend paid to shareholders of the Company	(13,952)	-
Repayment of term loans and revolving credits	(10,000)	(10,000)
Repayment of hire purchase facilities	(1,497)	(1,295)
Net cash (used in)/from financing activities	(17,449)	3,815
Net (decrease)/increase in cash and cash equivalents	(17,705)	4,739
Cash and cash equivalents as at 1 January	82,041	68,652
Cash and cash equivalents as at 31 March	64,336	73,391
Represented by:		
Deposits with original maturities not exceeding three months	58,527	60,042
Cash and bank balances	5,809	13,349
Cash and cash equivalents	64,336	73,391

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes attached to this report)



Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 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 Malaysian Financial Reporting Standard (“MFRS”) 134, *Interim Financial Reporting*, the International Accounting Standards (“IAS”) 34 *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 2020.

2. Significant accounting policies

2.1 Adoption of new/revised Standards, Amendments and Interpretations

The Group’s financial statements for annual period beginning on 1 January 2021 is prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”) issued by the MASB.

The Group adopted the following accounting standards, amendments and interpretations where applicable for the annual period beginning 1 January 2021:

Standards / Amendments / Interpretations

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

The initial application of the accounting standards, interpretations or amendments that are effective from annual period beginning 1 January do not have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

2.2 Standards issued but not yet effective

Standards / Amendments / Interpretations	Effective date
• Amendments to MFRS 16, <i>Lease (Covid-19-Related Rent Concessions beyond 30 June 2021)</i>	1 April 2021
• Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
• Amendments to MFRS 3, <i>Business Combinations – Reference to the Conceptual Framework</i>	1 January 2022
• Amendments to MFRS 9, <i>Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
• Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
• Amendments to MFRS 116, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
• Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022



Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134

A1. Basis of preparation (continued)

2. Significant accounting policies (continued)

2.3 Standards issued but not yet effective

Standards / Amendments / Interpretations	Effective date
<ul style="list-style-type: none">Amendments to MFRS 141, <i>Agriculture (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
<ul style="list-style-type: none">MFRS 17, <i>Insurance Contracts</i>	1 January 2023
<ul style="list-style-type: none">Amendments to MFRS 101, <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies</i>	1 January 2023
<ul style="list-style-type: none">Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
<ul style="list-style-type: none">Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Yet to be determined

The Group will adopt the above except for MFRS 1 and MFRS 17, where applicable when they become effective in the respective financial periods.

The initial application of the above accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

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 interim 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 securities in the current interim financial period.



Part A – Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134

A6. Dividends Paid

	Cumulative Quarter (3 Months)	
	Current Year	Preceding Year
	- Period to Date	- Period to Date
	31/3/2021	31/3/2020
	RM'000	RM'000
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2020		
- 5 sen per ordinary share, paid on 21 January 2021	13,952	-
Total	13,952	-



Part A – Explanatory Notes Pursuant to MFRS 134

A7. Disaggregation of revenue

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

	Oil palm operation		Management / Agronomic services		Total	
	Current Year Quarter 31/3/2021 RM'000	Preceding Year Corresponding Quarter 31/3/2020 RM'000	Current Year Quarter 31/3/2021 RM'000	Preceding Year Corresponding Quarter 31/3/2020 RM'000	Current Year Quarter 31/3/2021 RM'000	Preceding Year Corresponding Quarter 31/3/2020 RM'000
Major products and service lines						
Sales of oil palm products	145,299	98,645	-	-	145,299	98,645
Management/Agronomic services income	-	-	84	94	84	94
	145,299	98,645	84	94	145,383	98,739
Other revenue	-	-	150	142	150	142
Total revenue	145,299	98,645	234	236	145,533	98,881
Major products and service lines						
Geographical markets						
Malaysia	145,299	98,645	84	94	145,383	98,739
Timing and recognition						
At a point in time	145,299	98,645	65	75	145,364	98,720
Over time	-	-	19	19	19	19
	145,299	98,645	84	94	145,383	98,739



Part A – Explanatory Notes Pursuant to MFRS 134

A8. 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**
 - Estate operations (Cultivation of oil palm)
 - Mill operations (processing of fresh fruit bunches)
- (iii) Management/ marketing/ agronomic services and rental**
Provision of management/ marketing/ agronomic service and rental of investment properties



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

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

	Investment holding	Management/ marketing/ agronomic services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31/3/2021						
Revenue						
Segment revenue	8,500	510	49,898	133,862	183,760	192,770
Inter-segment	(8,500)	(276)	-	-	(38,461)	(47,237)
External revenue	-	234	49,898	133,862	145,299	145,533
Cost of sales						
Segment cost of sales	-	(351)	(24,981)	(127,335)	(152,316)	(152,667)
Inter-segment	-	20	-	-	38,474	38,494
External cost of sales	-	(331)	(24,981)	(127,335)	(113,842)	(114,173)
Gross (loss)/profit	-	(97)	24,917	6,527	31,457	31,360
Distribution expenses	-	-	(920)	(7,200)	(8,120)	(8,120)
Segment (loss)/profit	-	(97)	23,997	(673)	23,337	23,240
Other income including finance income	505	16			825	1,346
Inter-segment	(208)	(6)			(268)	(482)
External other income	297	10			557	864
Other expenses including finance costs	(272)	(205)			(4,159)	(4,636)
Inter-segment	5	156			211	372
External other expenses	(267)	(49)			(3,948)	(4,264)
Operating profit/(loss) before tax	30	(136)			19,946	19,840
Change in fair value of biological assets	-	-			12,108	12,108
Profit/(Loss) before tax	30	(136)			32,054	31,948



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

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

	Investment holding	Management/ agronomic services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31/3/2020						
Revenue						
Segment revenue	-	502	30,703	92,667	123,370	123,872
Inter-segment	-	(266)	-	-	(24,725)	(24,991)
External revenue	-	236	30,703	92,667	98,645	98,881
Cost of sales						
Segment cost of sales	-	(346)	(20,549)	(83,001)	(103,550)	(103,896)
Inter-segment	-	20	-	-	24,727	24,747
External cost of sales	-	(326)	(20,549)	(83,001)	(78,823)	(79,149)
Gross (loss)/profit	-	(90)	10,154	9,666	19,822	19,732
Distribution expenses	-	-	-	(5,386)	(5,386)	(5,386)
Segment (loss)/profit	-	(90)	10,154	4,280	14,436	14,346
Other income including finance income	750	24			685	1,459
Inter-segment	(395)	(2)			(272)	(669)
External other income	355	22			413	790
Other expenses including finance costs	(326)	(240)			(5,001)	(5,567)
Inter-segment	28	175			363	566
External other expenses	(298)	(65)			(4,638)	(5,001)
Operating profit/(loss) before tax	57	(133)			10,211	10,135
Change in fair value of biological assets	-	-			(1,769)	(1,769)
Profit/(Loss) before tax	57	(133)			8,442	8,366

**Part A – Explanatory Notes Pursuant to MFRS 134****A8. Segment Information (continued)**
Segment assets and liabilities

	As At End Of Current Financial Period
	31/3/2021
	RM'000
Segment assets:	
Investment holding	412,352
Oil palm operations	792,334
Management services/Rental	25,762
Others	7
	<u>1,230,455</u>
Elimination	<u>(332,262)</u>
Total assets	<u>898,193</u>
Segment liabilities:	
Investment holding	9,254
Oil palm operations	334,823
Management services/Rental	14,110
Others	3
	<u>358,190</u>
Elimination	<u>(58,990)</u>
Total liabilities	<u>299,200</u>

A9. Impairment of Assets

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

A10. 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.

A11. Changes in the Composition of the Group

As at 31 March 2021, 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.



Part A – Explanatory Notes Pursuant to MFRS 134

A12. Changes in Contingent Liabilities and Contingent Assets

As at 31 March 2021, 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:

	At 31/3/2021
	RM'000
As at that date, the Company has contingent liabilities as follows:	
Corporate guarantees for banking facilities granted to a subsidiary	230,000
	<u>230,000</u>

A13. Capital Expenditure Commitments

As at 31 March 2021, 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:

	At 31/3/2021
	RM'000
Contracted but not provided for	
Property, plant and equipment	2,410
	<u>2,410</u>

A14. Unfulfilled Contract Obligation

As at 31 March 2021, unfulfilled contract obligation of the Group is as disclosed below:

	At 31/3/2021
	RM'000
Sale Contracts	-
	<u>-</u>

**Part A – Explanatory Notes Pursuant to MFRS 134****A15. 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 certain Directors or person connected to a Director have interests.

	Cumulative Quarter (3 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 31/3/2021 RM'000	31/3/2020 RM'000
Purchase of goods and/or services :		
a. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	53	67
b. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance fee	86	262
c. KUB Sepadu Sdn. Bhd.		
- Purchase of fresh fruit bunches	2,904	4,287
d. Stonehead Sdn. Bhd.		
- Purchase of materials	-	12
e. Butrasemari Sdn. Bhd.		
- Purchase of fresh fruit bunches	741	683
f. Ironhead Sdn. Bhd.		
- Purchase of equipment	251	-
- Services of equipment	-	17
g. Lik Shen Sawmill Sdn. Bhd.		
- Purchase of material	13	2
h. Mega Bumimas Sdn. Bhd.		
- Purchase of fresh fruit bunches	692	811
i. Ta Ann Pelita Silas Plantation Sdn Bhd		
- Purchase of fresh fruit bunches	541	688
j. Sebbubu Sdn. Bhd.		
- Purchase of fresh fruit bunches	493	325
k. PSS Oil Mill Sdn. Bhd.		
- Purchase of fresh fruit bunches	2,215	2,482
l. Eagle Forest Sdn. Bhd.		
- Rental of office space	5	4



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (12 Months)	
	Current Year - Period To Date 31/03/2021 RM'000	Preceding Year - Period To Date 31/03/2020 RM'000
Purchase of goods and/or services (continued):		
m. Key Ta Trading Sdn. Bhd.		
- Purchase of spare parts, lubricants and fertilisers	356	547
n. Key Jaya Sdn. Bhd.		
- Purchase of diesel	821	658
o. Acosafe Sdn Bhd		
- Insurance premium	131	98
p. Ta Ann Plywood Sdn. Bhd.		
- Field maintenance work and rental of machineries	-	19
- Purchase of seedlings	-	60
q. Key Group Sdn. Bhd.		
- Purchase of equipments	-	163
Sales and/or provision of services :		
a. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	5,702	3,083
b. TBS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	3,225	1,031
c. TABM Sdn Bhd		
- Sale of palm kernel shell	178	360
d. Ta Ann Plywood Sdn. Bhd.		
- Sales of seedlings	130	-
- Agronomics service fee income	4	2

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 MFRS 134

A16. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income Disclosures

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/3/2021 RM'000	Preceding Year Corresponding Quarter 31/3/2020 RM'000	Current Year - Period To Date 31/3/2021 RM'000	Preceding Year - Period To Date 31/3/2020 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	4,520	3,633	4,520	3,633
Depreciation of right -of- use assets	356	505	356	505
Depreciation of bearer plants	3,987	3,138	3,987	3,138
Depreciation of investment properties	63	42	63	42
Change in fair value of biological assets	-	1,769	-	1,769
Property, plant and equipment written off	36	204	36	204
Finance costs	300	593	300	593
Profit before tax is arrived at after crediting:				
Change in fair value of biological assets	12,108	-	12,108	-
Gain on disposal of Property, plant and equipment	-	115	-	115
Other income	456	274	456	274
Finance income	408	516	408	516

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



Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)

B1. Review of Performance

Quarter 1, 2021 vs Quarter 1, 2020

Three Months ended 31 March 2021 vs Three Months ended 31 March 2020

The Group recorded revenue of RM145.5 million in the current interim quarter ended 31 March 2021 compared with RM98.9 million reported in the corresponding period of the preceding year. The increase in revenue was due to the effect of higher realised average selling prices of CPO and PK during the current interim quarter.

The Group's operating profit before tax was RM19.8 million for the current interim quarter compared to RM10.1 million for the corresponding period of the preceding year. The increase in operating profit was principally attributable to the increase in revenue despite higher production cost and operating cost.

The Group recorded a profit before tax of RM31.9 million for the current interim quarter, as compared to RM8.4 million in the corresponding period of the preceding year. This was in line with the increase in operating profit coupled with gain arising from changes in fair value of biological assets of RM12.1 million for the current interim quarter.

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

Oil palm operations

The oil palm operations comprise estate and mill operations. During the current interim quarter, estate operations recorded a revenue and segment profit of RM49.9 million and RM24.0 million respectively, whereas mill operations recorded a revenue and segment loss of RM133.9 million and RM0.7 million respectively.

For the current interim quarter, the oil palm operations segment contributed 99.8% of the Group revenue of RM145.5 million.

Revenue of the oil palm operations increased by RM46.7 million to RM145.3 million in the current interim quarter compared with RM98.6 million reported in the corresponding period of the preceding year. The increase was principally attributable to the effect of higher realised average selling prices of CPO and PK by 44.5% and 48.7% respectively during the current interim quarter.

Sales volume of CPO increased by approximately 0.2% whereas PK decreased by approximately 4.1% for the current interim quarter.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM19.9 million for the current quarter as compared to operating profit before tax of RM10.2 million for the corresponding period of the preceding year. The increase in operating profit before tax was mainly due to the increase in revenue despite higher production cost and operating cost.

Other segments

Other segments' results for the current financial period are insignificant to the Group.



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

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 an operating profit before tax of RM19.8 million for the current quarter compared with an operating profit before tax of RM20.6 million in the preceding quarter, mainly due to the effect of lower sales volume of CPO and PK by 6.2% and 9.4% respectively despite higher realised average selling prices of CPO and PK by 20.2% and 26.2% respectively.

The Group recorded a profit before tax of RM31.9 million for the current quarter as compared to RM21.9 million in the preceding quarter principally due to higher gain from changes in fair value of biological assets of RM12.1 million for the current quarter as compared to a gain of RM1.3 million recognised in preceding quarter.

B3. Prospects for the Current Financial Year

The 2021 economic outlook remains uncertain and hard to predict. The economic recovery and growth are dependent on the successful containment of the COVID-19 pandemic and rollout of vaccination globally and in Malaysia.

Oil palm industry outlook in 2021 is positive given that crude palm oil (CPO) price remains strong currently and anticipating positive demand prospects and tight inventory.

Several measures were taken to ensure sustainable operations by keeping the work force safe and by complying fully with the standard operating procedures issued by the Government to mitigate the COVID-19 risks.

The Group will continue to manage its financial and operational risks in a prudent and cautious manner amid the uncertainties in the current economic situation.

Barring any unforeseen circumstances and subject to the sustainability of the current CPO price, the Board of Directors anticipates a satisfactory financial performance for the financial year 2021.

B4. Profit Forecast or Profit Guarantee

Not applicable

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B5. Taxation**

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year	Preceding Year	Current Year	Preceding Year -
	Quarter	Corresponding	- Period To	Period To
	31/3/2021	Quarter	Date	Date
	RM'000	RM'000	RM'000	RM'000
Current tax expense	5,152	2,192	5,152	2,192
Deferred tax expenses	2,940	192	2,940	192
	<u>8,092</u>	<u>2,384</u>	<u>8,092</u>	<u>2,384</u>

The Group's effective tax rate for the financial year ended 31 March 2021 is higher than the statutory tax rate principally due to non - deductible expenditure.

B6. Other Investments

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

The investments as at 31 March 2021 are as follows:

	At 31/3/2021 RM'000
<u>Current</u>	
Deposits with original maturities exceeding three months	31,787

B7. Loans and Borrowings - Secured

	At 31/3/2021 RM'000
<u>Non-current</u>	
Term Loan (Term Financing -i)	30,289
Hire purchase facility	2,080
Hire purchase facility (Islamic)	28
	<u>32,397</u>
<u>Current</u>	
Revolving credit -i	21,200
Term Loan (Term Financing -i)	43,500
Hire purchase facility	2,324
Hire purchase facility (Islamic)	1,284
	<u>68,308</u>
Total loans and borrowings	<u>100,705</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 - Secured (continued)

Revolving Credit

This revolving credit facility of RM40 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 revolving credit was 3.65% 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.

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.

Hire purchase facilities

The hire purchase facilities are secured on property, plant and equipment under the hire purchase.

Hire purchase facility and Hire purchase facility (Islamic) carry interest/profit rates ranged between 4.85% - 5.22% 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 14 May 2021 (*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 delivered its Judgement on 23 February 2017 as follows:

- (i) Dismissed SP Suai's claim;
- (ii) Allowed part of the Defendants' claim, namely SP Suai is prohibited from entering the 2 parcels of NCR Land and SP Suai has to vacate and remove its machineries, equipments and structures existing on the Defendants' 2 parcels of NCR land.

SP Suai filed a Notice of Appeal against the whole of the learned Judge's decision on 9 March 2017 and an application for a stay of execution on 11 April 2017. The Court heard and allowed the application for a stay of execution on 9 June 2017. The Appeal came up for Case Management on 6 September 2017. The Court of Appeal fixed the hearing of the Appeal on 27 June 2018.

At the hearing of the Appeal on 27 June 2018, the Court of Appeal adjourned the same for Case Management to 10 July 2018. On 10 July 2018, the Court of Appeal directed the 1st Respondent's Advocates to file an application to substitute the deceased 1st Respondent within one month.



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)

- (a) The Court of Appeal has fixed hearing date of the Appeal on 15 April 2020 regardless of whether or not the deceased's 1st Respondent's family has decided on their representative to substitute the deceased.

The hearing fixed on 15 April 2020 had to be vacated in view of the COVID-19 Movement Control Order. Instead the case was fixed for case management by way of e-Review on 15 April 2020. On 15 April 2020, the Deputy Registrar of the Court of Appeal fixed the hearing of the Appeal on 23 September 2020 regardless of whether or not the deceased's 1st Respondent's family has decided on their representative to substitute the deceased.

The Respondents' Advocates, Messrs Harrison Ngau & Co, had on 16 June 2020 filed a Notice of Motion to substitute the deceased 1st Respondent. At the hearing of the Notice of Motion on 15 July 2020, the Court granted an order in terms.

The Court of Appeal then fixed the Appeal for hearing on 24 November 2020. At the hearing of the Appeal proper on 24 November 2020, the Court allowed the Appeal and set aside the decision of the High Court given on 23 February 2017. The sealed Order of Court has been received.

- (b) 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.

On 14 July 2017, the Court Appeal dismissed the Company and SPAD's appeal with costs in the cause.

On 18 July 2017, the parties informed the Court of the verdict of the appeal hearing. The Company and SPAD also informed the Court of their intention to amend the 'Defence of the 1st and 2nd Defendants'.

The Court fixed 18 August 2017 as the next mention date to monitor the progress of the application for amendment of the Defence of the 1st and 2nd Defendants.

On 28 August 2017, the Court had allowed the 1st and 2nd Defendants' application for amendment of the Defence. The Court on 20 September 2017 had given directions for the parties to file the bundle of documents and documents pertinent to the trial. The Court fixed the case for trial from 21 May 2018 to 25 May 2018.

The Court gave its decision on 16 July 2018 as follows:-

1. The Plaintiffs' action against the 1st, 2nd, 3rd and 4th Defendants is dismissed.
2. Costs of RM40,000.00 is awarded to the 1st & 2nd Defendants and RM40,000.00 to the 3rd and 4th Defendants, all subject to payment of Allocatur fees.

On 3 August 2018, the Plaintiffs filed their appeal against the whole of the Court's decision delivered on 16 July 2018.

At the last hearing date fixed on 21 February 2020, the Court of Appeal adjourned the matter to be heard on 15 September 2020.



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) Since February 2020, the case came up to for Case Management on 15 July 2020, 6 August 2020 and 6 October 2020. On 6 October 2020, the Court of Appeal vacated the hearing date and fixed the case for Further Case Management on 16 February 2021.

On 16 February 2021, the Court of Appeal fixed another case management on 7 July 2021 for the Appellants to update on the decision of the TR Ramba case at the Federal Court.

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.

B11. Dividend Declared

The Board of Directors declared a first interim, single tier dividend of 5 sen per share, totalling approximately RM14 million, in respect of the financial year ending 31 December 2021, payable to shareholders on 8 July 2021. The dividend entitlement date shall be on 15 June 2021.

B12. Earnings per Share

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/3/2021	Preceding Year Corresponding Quarter 31/3/2020	Current Year - Period To Date 31/3/2021	Preceding Year - Period To Date 31/3/2020
Profit attributable to Owners of the Company (RM'000)	23,753	5,818	23,753	5,818
Weighted average number of ordinary shares in issue (unit)	279,032	279,172	279,032	279,172
Basic earnings per share (sen)	8.51	2.08	8.51	2.08
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 year is based on the profit attributable to owners of the Company and on the weighted average number of ordinary shares 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 year were not computed as the Company does not have any potentially dilutive ordinary shares as at 31 March 2021.



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

B13. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was unqualified.

B14. 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 20 May 2021.

By Order of the Board

Company Secretary
Kuching

20 May 2021