



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

INTERIM REPORT FOR 3RD QUARTER ENDED 30 SEPTEMBER 2021



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

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

(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 Financial period 30/9/2021 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2020 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		268,476	272,968
Bearer plants		331,253	328,840
Right-of-use assets		95,673	97,285
Investment properties		5,639	5,829
Total non-current assets		701,041	704,922
Current assets			
Biological assets		76,081	42,890
Inventories		19,745	16,767
Trade and other receivables		24,878	8,673
Prepayments and other assets		7,126	6,427
Other investments	B6	56,679	16,287
Cash and cash equivalents		66,167	82,041
Total current assets		250,676	173,085
TOTAL ASSETS		951,717	878,007

**SARAWAK PLANTATION BERHAD**

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Condensed Consolidated Statement of Financial Position (continued)

(The figures have not been audited)

		As At End Of Current Financial period 30/9/2021 (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		325,497	244,155
Equity attributable to Owners of the Company		666,466	585,124
Non-controlling interests		(6,666)	(9,987)
Total equity		659,800	575,137
Non-current liabilities			
Deferred tax liabilities		129,665	123,974
Loans and borrowings	B7	10,506	46,147
Lease liabilities		2,286	2,543
Total non-current liabilities		142,457	172,664
Current liabilities			
Trade and other payables		64,553	51,212
Loans and borrowings	B7	63,687	57,559
Current tax payable		21,220	7,483
Dividend payable		-	13,952
Total current liabilities		149,460	130,206
Total liabilities		291,917	302,870
TOTAL EQUITY AND LIABILITIES		951,717	878,007
Net assets per share attributable to Owners of the Company (RM)		2.39	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 (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter 30/9/2021 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/9/2020 (Unaudited) RM'000	Current Year - Period To Date 30/9/2021 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2020 (Unaudited) RM'000
Revenue		208,792	137,223	546,887	333,526
Cost of sales		(152,650)	(104,326)	(412,654)	(256,648)
Gross profit		56,142	32,897	134,233	76,878
Other income		350	802	1,273	1,181
Distribution expenses		(11,822)	(7,409)	(30,688)	(18,258)
Administrative expenses		(5,820)	(3,543)	(14,157)	(13,029)
Results from operating activities		38,850	22,747	90,661	46,772
Finance income		503	372	1,411	1,419
Finance costs		(143)	(213)	(659)	(1,377)
Net finance income/(costs)		360	159	752	42
Operating profit before tax		39,210	22,906	91,413	46,814
Change in fair value of biological assets		12,793	4,254	33,191	14,367
Profit before tax	A16	52,003	27,160	124,604	61,181
Taxation	B5	(9,738)	(7,212)	(28,989)	(15,854)
Profit after tax		42,265	19,948	95,615	45,327
Other comprehensive income, net of tax		-	-	-	-
Profit and total comprehensive income for the period		42,265	19,948	95,615	45,327

**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 (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
		30/9/2021	30/9/2020	30/9/2021	30/9/2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		42,156	19,521	95,294	44,731
Non-controlling interests		109	427	321	596
Profit for the period		42,265	19,948	95,615	45,327
Profit and total comprehensive income attributable to:					
Owners of the Company		42,156	19,521	95,294	44,731
Non-controlling interests		109	427	321	596
Profit and total comprehensive income for the period		42,265	19,948	95,615	45,327
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B12	15.11	7.00	34.15	16.02
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 period	-	-	-	95,294	95,294	321	95,615
Add: Subscription of shares in a subsidiary by Non- controlling interest	-	-	-	-	-	3,000	3,000
Less: First interim, single tier exempt dividend in respect of the financial year ending 2021	-	-	-	(13,952)	(13,952)	-	(13,952)
At 30 September 2021	340,969	493	(2,105)	327,109	666,466	(6,666)	659,800

(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)

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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 period		-	-	-	45,157	45,157	170	45,327
Acquisition of Non-controlling interest during the period		-	-	-	(426)	(426)	426	-
Less: First interim, single tier exempt dividend in respect of the financial year ending 2020		-	-	-	(13,952)	(13,952)	-	(13,952)
At 30 September 2020		340,969	493	(2,105)	243,455	582,812	(10,043)	572,769

(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 (9 Months)	
	Current Year - Period To Date 30/9/2021 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2020 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	124,604	61,181
<i>Adjustments for:</i>		
Change in fair value of biological assets	(33,191)	(14,367)
Depreciation of property, plant and equipment	12,674	11,146
Depreciation of bearer plants	15,912	11,075
Depreciation of investment properties	190	175
Depreciation of right -of- use assets	1,174	907
Gain on disposal of property, plant and equipment	-	(115)
Property, plant and equipment written off	226	210
Inventories written off	8	19
Impairment losses on property, plant and equipment	3	-
Finance income	(1,411)	(1,419)
Finance costs	659	1,377
Operating profit before changes in working capital	120,848	70,189
Change in inventories	(2,978)	(4,072)
Change in trade and other receivables, deposits and prepayments	(16,733)	4,730
Change in trade and other payables	15,037	3,590
Cash generated from operations	116,174	74,437
Tax paid	(9,561)	(342)
Interest/Profit paid	(2,239)	(3,399)
Hire purchase facility interest/profit paid	(294)	(357)
Interest received	1,239	1,439
Net cash from operating activities	105,319	71,778



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

	Cumulative Quarter (9 Months)	
	Current Year - Period To Date 30/9/2021 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2020 (Unaudited) RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,144)	(3,422)
Net movement of deposits with original maturities exceeding three months	(40,392)	(3,425)
Bearer plants (net of depreciation)	(15,161)	(17,485)
Proceed from sale of property, plant & equipment	-	270
Net cash used in investing activities	(62,697)	(24,062)
Cash flows from financing activities		
Net proceeds from term loans and revolving credits	22,735	50,373
Proceeds from shares in a subsidiary issued to non-controlling interest	1,926	-
Dividend paid to shareholders of the Company	(27,904)	(13,952)
Repayment of term loans and revolving credits	(51,200)	(67,500)
Repayment of hire purchase facilities	(4,053)	(4,039)
Net cash used in financing activities	(58,496)	(35,118)
Net (decrease)/increase in cash and cash equivalents	(15,874)	12,598
Cash and cash equivalents as at 1 January	82,041	68,652
Cash and cash equivalents as at 30 September	66,167	81,250
Represented by:		
Deposits with original maturities not exceeding three months	62,699	77,179
Cash and bank balances	3,468	4,071
Cash and cash equivalents	66,167	81,250

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

- Amendments to MFRS 16, *Lease (Covid-19-Related Rent Concessions beyond 30 June 2021)*

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022.

The initial application of the accounting standards, interpretations or amendments that are effective from annual period beginning 1 January and 1 April 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 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



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
• 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
• Amendments to MFRS 141, <i>Agriculture (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
• MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• 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
• Amendments to MFRS 108, <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
• Amendments to MFRS 112, <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
• 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.



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

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

A6. Dividends Paid

	Cumulative Quarter (9 Months)	
	Current Year - Period to Date 30/9/2021 RM'000	Preceding Year - Period to Date 30/9/2020 RM'000
First interim, single tier exempt dividend in respect of the financial year ended 31 December 2020 - 5 sen per ordinary share, paid on 6 August 2020	-	13,952
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	-
First interim, single tier exempt dividend in respect of the financial year ending 31 December 2021 - 5 sen per ordinary share, paid on 8 July 2021	13,952	-
Total	27,904	13,952

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Part A – Explanatory Notes Pursuant to MFRS 134**A7. Disaggregation of revenue****Individual Quarter (Q3)**

	Oil palm operation		Management / Agronomic services		Total	
	Current Year Quarter 30/9/2021 RM'000	Preceding Year Corresponding Quarter 30/9/2020 RM'000	Current Year Quarter 30/9/2021 RM'000	Preceding Year Corresponding Quarter 30/9/2020 RM'000	Current Year Quarter 30/9/2021 RM'000	Preceding Year Corresponding Quarter 30/9/2020 RM'000
Major products and service lines						
Sales of oil palm products	208,571	136,975	-	-	208,571	136,975
Management/Agronomic services income	-	-	79	106	79	106
	208,571	136,975	79	106	208,650	137,081
Other revenue	-	-	142	142	142	142
Total revenue	208,571	136,975	221	248	208,792	137,223
Major products and service lines						
Geographical markets						
Malaysia	208,571	136,975	79	106	208,650	137,081
Timing and recognition						
At a point in time	208,571	136,975	60	87	208,631	137,062
Over time	-	-	19	19	19	19
	208,571	136,975	79	106	208,650	137,081



Part A – Explanatory Notes Pursuant to MFRS 134

A7. Disaggregation of revenue

Cumulative Quarter (9 Months)

	Oil palm operation		Management / Agronomic services		Total	
	Current Year- Period To Date 30/9/2021 RM'000	Preceding Year- Period To Date 30/9/2020 RM'000	Current Year- Period To Date 30/9/2021 RM'000	Preceding Year- Period To Date 30/9/2020 RM'000	Current Year- Period To Date 30/9/2021 RM'000	Preceding Year- Period To Date 30/9/2020 RM'000
Major products and service lines						
Sales of oil palm products	546,227	332,821	-	-	546,227	332,821
Management/Agronomic services income	-	-	219	272	219	272
	546,227	332,821	219	272	546,446	333,093
Other revenue	-	-	441	433	441	433
Total revenue	546,227	332,821	660	705	546,887	333,526
Major products and service lines						
Geographical markets						
Malaysia	546,227	332,821	219	272	546,446	333,093
Timing and recognition						
At a point in time	546,227	332,821	162	215	546,389	333,036
Over time	-	-	57	57	57	57
	546,227	332,821	219	272	546,446	333,093



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 (Q3)

	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
30/9/2021						
Revenue						
Segment revenue	8,500	543	73,817	191,044	264,861	273,904
Inter-segment	(8,500)	(322)	-	-	(56,290)	(65,112)
External revenue	-	221	73,817	191,044	208,571	208,792
Cost of sales						
Segment cost of sales	-	(476)	(29,684)	(178,878)	(208,562)	(209,038)
Inter-segment	-	20	-	-	56,368	56,388
External cost of sales	-	(456)	(29,684)	(178,878)	(152,194)	(152,650)
Gross (loss)/profit	-	(235)	44,133	12,166	56,377	56,142
Distribution expenses	-	-	(1,889)	(9,933)	(11,822)	(11,822)
Segment (loss)/profit	-	(235)	42,244	2,233	44,555	44,320
Other income including finance income	326	23			561	910
Inter-segment	(11)	-			(46)	(57)
External other income	315	23			515	853
Other expenses including finance costs	(292)	(44)			(5,792)	(6,128)
Inter-segment	4	23			138	165
External other expenses	(288)	(21)			(5,654)	(5,963)
Operating profit/(loss) before tax	27	(233)			39,416	39,210
Change in fair value of biological assets	-	-			12,793	12,793
Profit/(Loss) before tax	27	(233)			52,209	52,003



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Individual Quarter (Q3)

	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
30/9/2020						
Revenue						
Segment revenue	9,500	545	49,241	126,392	175,633	185,678
Inter-segment	(9,500)	(298)	-	-	(38,657)	(48,455)
External revenue	-	247	49,241	126,392	136,976	137,223
Cost of sales						
Segment cost of sales	-	(424)	(26,357)	(116,259)	(142,616)	(143,040)
Inter-segment	-	20	-	-	38,694	38,714
External cost of sales	-	(404)	(26,357)	(116,259)	(103,922)	(104,326)
Gross (loss)/profit	-	(157)	22,884	10,133	33,054	32,897
Distribution expenses	-	-	-	(7,409)	(7,409)	(7,409)
Segment (loss)/profit	-	(157)	22,884	2,724	25,645	25,488
Other income including finance income	543	26			1,151	1,720
Inter-segment	(290)	(2)			(254)	(546)
External other income	253	24			897	1,174
Other expenses including finance costs	(352)	(149)			(3,704)	(4,205)
Inter-segment	1	153			295	449
External other expenses	(351)	4			(3,409)	(3,756)
Operating profit/(loss) before tax	(98)	(129)			23,133	22,906
Change in fair value of biological assets	-	-			4,254	4,254
Profit/(Loss) before tax	(98)	(129)			27,387	27,160



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Cumulative Quarter (9 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
30/9/2021						
Revenue						
Segment revenue	23,000	1,577	185,670	503,694	689,364	713,941
Inter-segment	(23,000)	(917)	-	-	(143,137)	(167,054)
External revenue	-	660	185,670	503,694	546,227	546,887
Cost of sales						
Segment cost of sales	-	(1,234)	(85,736)	(469,031)	(554,767)	(556,001)
Inter-segment	-	60	-	-	143,287	143,347
External cost of sales	-	(1,174)	(85,736)	(469,031)	(411,480)	(412,654)
Gross (loss)/profit	-	(514)	99,934	34,663	134,747	134,233
Distribution expenses	-	-	(4,202)	(26,486)	(30,688)	(30,688)
Segment (loss)/profit	-	(514)	95,732	8,177	104,059	103,545
Other income including finance income	1,295	136			2,031	3,462
Inter-segment	(343)	(9)			(426)	(778)
External other income	952	127			1,605	2,684
Other expenses including finance costs	(870)	(313)			(6,122)	(7,305)
Inter-segment	14	163			(7,688)	(7,511)
External other expenses	(856)	(150)			(13,810)	(14,816)
Operating profit/(loss) before tax	96	(537)			91,854	91,413
Change in fair value of biological assets	-	-			33,191	33,191
Profit/(Loss) before tax	96	(537)			125,045	124,604



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Cumulative Quarter (9 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
30/9/2020						
Revenue						
Segment revenue	14,000	1,535	113,947	309,598	423,545	439,080
Inter-segment	(14,000)	(830)	-	-	(90,724)	(105,554)
External revenue	-	705	113,947	309,598	332,821	333,526
Cost of sales						
Segment cost of sales	-	(1,144)	(70,833)	(275,501)	(346,334)	(347,478)
Inter-segment	-	60	-	-	90,770	90,830
External cost of sales	-	(1,084)	(70,833)	(275,501)	(255,564)	(256,648)
Gross (loss)/profit	-	(379)	43,114	34,097	77,257	76,878
Distribution expenses	-	-	-	(18,258)	(18,258)	(18,258)
Segment (loss)/profit	-	(379)	43,114	15,839	58,999	58,620
Other income including finance income	1,948	77			2,420	4,445
Inter-segment	(1,008)	(48)			(789)	(1,845)
External other income	940	29			1,631	2,600
Other expenses including finance costs	(1,110)	(595)			(14,212)	(15,917)
Inter-segment	21	479			1,011	1,511
External other expenses	(1,089)	(116)			(13,201)	(14,406)
Operating profit/(loss) before tax	(149)	(466)			47,429	46,814
Change in fair value of biological assets	-	-			14,367	14,367
Profit/(Loss) before tax	(149)	(466)			61,796	61,181



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)
Segment assets and liabilities

	As At End Of Current Financial Period
	30/09/2021 RM'000
Segment assets:	
Investment holding	412,712
Oil palm operations	844,588
Management services/Rental	24,447
Others	7
	<hr/> 1,281,754
Elimination	<hr/> (330,037)
Total assets	<hr/> <hr/> 951,717
Segment liabilities:	
Investment holding	9,075
Oil palm operations	311,187
Management services/Rental	3,279
Others	3
	<hr/> 323,544
Elimination	<hr/> (31,627)
Total liabilities	<hr/> <hr/> 291,917

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 30 September 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 30 September 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 30/9/2021
	RM'000
As at that date, the Company has contingent liabilities as follows:	
Corporate guarantees for banking facilities granted to a subsidiary	230,000

A13. Capital Expenditure Commitments

As at 30 September 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 30/9/2021
	RM'000
Contracted but not provided for	
Property, plant and equipment	2,529

A14. Unfulfilled Contract Obligation

As at 30 September 2021, unfulfilled contract obligation of the Group is as disclosed below:

	At 30/9/2021
	RM'000
Sale Contracts	14,869



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 (9 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/9/2021 RM'000	30/9/2020 RM'000
Purchase of goods and/or services :		
a. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	149	149
b. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance fee	444	323
- Purchase of assets	121	-
c. KUB Sepadu Sdn. Bhd.		
- Purchase of fresh fruit bunches	3,993	14,071
d. Stonehead Sdn. Bhd.		
- Purchase of materials	320	-
e. Butrasemari Sdn. Bhd.		
- Purchase of fresh fruit bunches	741	563
f. Ironhead Sdn. Bhd.		
- Purchase of equipment	492	612
- Services of equipment	-	15
g. Lik Shen Sawmill Sdn. Bhd.		
- Purchase of materials	177	108
h. Mega Bumimas Sdn. Bhd.		
- Purchase of fresh fruit bunches	692	661
i. Ta Ann Pelita Silas Plantation Sdn Bhd		
- Purchase of fresh fruit bunches	541	561
j. Sebu bu Sdn. Bhd.		
- Purchase of fresh fruit bunches	493	240
k. PSS Oil Mill Sdn. Bhd.		
- Purchase of fresh fruit bunches	2,215	2,043
l. Eagle Forest Sdn. Bhd.		
- Rental of office space	13	11
- Purchase of used cab & chassis	-	70



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (9 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/9/2021 RM'000	30/9/2020 RM'000
Purchase of goods and/or services (continued):		
m. Key Ta Trading Sdn. Bhd.		
- Purchase of spare parts, lubricants and fertilisers	1,252	1,393
n. Key Jaya Trading Sdn. Bhd.		
- Purchase of diesel	2,898	1,933
o. Acosafe Sdn Bhd		
- Insurance premium	570	586
p. Ta Ann Plywood Sdn. Bhd.		
- Field maintenance work and rental of machineries	63	108
- Purchase of seedlings	-	96
q. Key Group Sdn. Bhd.		
- Purchase of equipments	-	176
r. Ta Ann Pelita Igan Plantations Sdn. Bhd.		
- Transportation of fresh fruit bunches	-	1
s. Ladang Selezu Sdn. Bhd.		
- Purchase of fresh fruit bunches	563	-
Sales and/or provision of services :		
a. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	22,764	11,587
b. TBS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	12,034	6,761
c. TABM Sdn Bhd		
- Sale of palm kernel shell	1,051	462
d. Ta Ann Plywood Sdn. Bhd.		
- Sale of seedlings	390	-
- Sale of oil palm seeds	90	60
- Agronomics service fee income	14	2
e. Ta Ann Pelita Ngemah Sdn. Bhd.		
- Sale of seedlings	130	-



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (9 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/9/2021 RM'000	30/9/2020 RM'000
Sales and/or provision of services (continued) :		
f. PSS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	676	-
g. Igan Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	3,225	-
h. Ladang Selezu Sdn. Bhd.		
- Sale of oil palm seeds	-	54
i. Ta Ann Pelita Baleh Sdn. Bhd.		
- Sale of seedlings	65	-

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 (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2021 RM'000	Preceding Year Corresponding Quarter 30/9/2020 RM'000	Current Year - Period To Date 30/9/2021 RM'000	Preceding Year - Period To Date 30/9/2020 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	4,310	3,581	12,674	11,146
Depreciation of right -of- use assets	447	298	1,174	907
Depreciation of bearer plants	5,841	3,170	15,912	11,075
Depreciation of investment properties	63	92	190	175
Property, plant and equipment written off	40	-	226	210
Inventories written off	-	19	8	19
Impairment losses on property, plant and equipment	3	-	3	-
Finance costs	143	213	659	1,377
Profit before tax is arrived at after crediting:				
Change in fair value of biological assets	12,793	4,254	33,191	14,367
Gain on disposal of property, plant and equipment	-	-	-	115
Other income	350	802	1,273	1,181
Finance income	503	372	1,411	1,419

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 3, 2021 vs Quarter 3, 2020

The Group recorded revenue of RM208.8 million in the current interim quarter ended 30 September 2021 compared with RM137.2 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 despite lower sales volume of CPO and PK during the current interim quarter.

The Group's operating profit before tax was RM39.2 million for the current interim quarter compared to RM22.9 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 RM52.0 million for the current interim quarter, as compared to RM27.2 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 RM12.8 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 RM73.8 million and RM42.2 million respectively, whereas mill operations recorded a revenue and segment profit of RM191.0 million and RM2.2 million respectively.

For the current interim quarter, the oil palm operations segment contributed 99.9% of the Group revenue of RM208.8 million.

Revenue of the oil palm operations increased by RM71.6 million to RM208.6 million in the current interim quarter compared with RM137.0 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 61.5% and 69.6% respectively despite sales volume of CPO and PK decreased by approximately 6.6% and 6.8% respectively for the current interim quarter.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM39.4 million for the current quarter as compared to operating profit before tax of RM23.1 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

B1. Review of Performance (continued)

Nine Months ended 30 September 2021 vs Nine Months ended 30 September 2020

The Group recorded revenue of RM546.9 million in the current financial period ended 30 September 2021 compared with RM333.5 million reported in the corresponding period of the preceding year.

The Group's operating profit before tax was RM91.4 million for the current financial period compared to operating profit before tax of RM46.8 million for the corresponding period of the preceding year. The increase in operating profit was principally due to the effect of higher realised average selling price despite lower sales volume of CPO and PK during the current financial period.

The Group recorded a profit before tax of RM124.6 million for the current financial period, as compared to a profit before tax of RM61.2 million in the corresponding period of the preceding year in line with the increase in operating profit and gain arising from changes in fair value of biological assets of RM33.2 million for the current financial period.

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 financial period, estate operations recorded a revenue and segment profit of RM185.7 million and RM95.7 million respectively, whereas mill operations recorded a revenue and segment profit of RM503.7 million and RM8.2 million respectively.

For the current financial period, the oil palm operations segment contributed 99.9% of the Group revenue of RM546.9 million.

Revenue of the oil palm operations increased by RM213.4 million to RM546.2 million in the current financial period compared with RM332.8 million reported in the corresponding period of the preceding year. The increase was principally attributed to the effect of higher realised average selling price despite lower sales volume of CPO and PK during the current financial period.

Average selling prices of CPO and PK had increased approximately by 62.0% and 71.1%. In addition, sales volumes of CPO and PK had decreased by approximately 1.4% and 2.0% respectively for the current financial period.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM91.9 million for the current financial period as compared to operating profit before tax of RM47.4 million for the corresponding period of the preceding year. The increase in operating profit before tax was in line with the increase in revenue.

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 RM39.2 million for the current quarter compared with an operating profit before tax of RM32.4 million in the preceding quarter, mainly due to the effect of higher sales volume of CPO and PK by 8.9% and 12.5% respectively and higher realised average selling price of CPO by 2.6% despite lower realised average selling price of PK by 4.2% and higher production cost and operating cost.

The Group recorded a profit before tax of RM52.0 million for the current quarter as compared to RM40.7 million in the preceding quarter principally in line with higher operating profit before tax and higher gain on fair value changes in biological assets.

B3. Prospects for the Current Financial Year

The Malaysia's palm oil industry has been experiencing acute labour shortage due to border closure arising from on going COVID-19 pandemic. Malaysia's crude palm oil (CPO) production declined by 9% for the 9 months period of 2021 compared to 9 months period of 2020. Tight supply has resulted in a very bullish CPO price that reached its highest in the history of the palm oil industry.

The Malaysian Government recently announced to grant approval for the intake of 32,000 foreign workers. This will ease the shortage faced by the industry. However, the positive impact on production is likely to be seen in 2022. In view thereof, CPO price is likely to remain bullish for the remainder of the year 2021.

The Group's production is maintained at a reasonable level despite labour shortage. Employees and workers comply with the standard operating procedures at all time. The Group continues to maintain measures to mitigate COVID-19 risks in order to keep its work force safe and ensure sustainable operation.

Barring any unforeseen circumstances and the challenges faced, the Board of Directors anticipates a better 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 (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
	30/9/2021	30/9/2020	30/9/2021	30/9/2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense	8,214	4,713	23,298	10,163
Deferred tax expenses	1,524	2,499	5,691	5,691
	9,738	7,212	28,989	15,854

The Group's effective tax rate for the financial period ended 30 September 2021 is slightly lower than the statutory tax rate principally due to tax allowance claimed.

B6. Other Investments

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

The investments as at 30 September 2021 are as follows:

	At 30/9/2021 RM'000
<u>Current</u>	
Deposits with original maturities exceeding three months	56,679

B7. Loans and Borrowings - Secured

	At 30/9/2021 RM'000
<u>Non-current</u>	
Term Loan (Term Financing -i)	8,024
Hire purchase facility	2,482
	10,506
<u>Current</u>	
Term Loan (Term Financing -i)	50,500
Revolving credit (Islamic)	10,000
Hire purchase facility	2,931
Hire purchase facility (Islamic)	256
	63,687
Total loans and borrowings	74,193



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 12 November 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) 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.

Since 21 February 2020, the case came up for Case Management on 15 July 2020, 6 August 2020, 6 October 2020, 16 February 2021, 7 July 2021, 24 August 2021 and 13 October 2021.

On 13 October 2021, the Court of Appeal fixed the Appeal for hearing on 10 February 2022.

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.



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

B11. Dividend Declared

On 20 May 2021, the Board of Directors had 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, paid to shareholders on 8 July 2021.

B12. Earnings per Share

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2021	Preceding Year Corresponding Quarter 30/9/2020	Current Year - Period To Date 30/9/2021	Preceding Year - Period To Date 30/9/2020
Profit attributable to Owners of the Company (RM'000)	42,156	19,521	95,294	44,731
Weighted average number of ordinary shares in issue (unit)	279,032	279,032	279,032	279,032
Basic earnings per share (sen)	15.11	7.00	34.15	16.02
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 30 September 2021.

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 19 November 2021.

By Order of the Board

Company Secretary
Kuching

19 November 2021