



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

INTERIM REPORT FOR 1ST QUARTER ENDED 31 MARCH 2022



SARAWAK PLANTATION BERHAD
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(Incorporated in Malaysia)

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INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

(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 Year 31/3/2022 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2021 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		262,066	263,811
Bearer plants		329,642	330,646
Right-of-use assets		94,702	95,135
Investment properties		5,398	5,457
Total non-current assets		691,808	695,049
Current assets			
Biological assets		81,587	63,999
Inventories		24,294	19,523
Trade and other receivables		22,951	13,735
Prepayments and other assets		7,636	6,931
Other investments	B6	72,270	61,825
Cash and cash equivalents		64,098	113,621
Total current assets		272,836	279,634
TOTAL ASSETS		964,644	974,683



Condensed Consolidated Statement of Financial Position (continued)

(The figures have not been audited)

	Notes	As At End Of Current Financial Year 31/3/2022 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2021 (Audited) RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	A5	340,969	340,969
Reserves		359,488	330,126
Equity attributable to Owners of the Company		700,457	671,095
Non-controlling interests		(6,170)	(6,524)
Total equity		694,287	664,571
Non-current liabilities			
Deferred tax liabilities		128,265	126,013
Loans and borrowings	B7	1,961	1,905
Lease liabilities		2,461	2,278
Total non-current liabilities		132,687	130,196
Current liabilities			
Trade and other payables		67,049	69,428
Loans and borrowings	B7	52,464	64,847
Lease liabilities		40	232
Current tax payable		18,117	17,506
Dividend payable		-	27,903
Total current liabilities		137,670	179,916
Total liabilities		270,357	310,112
TOTAL EQUITY AND LIABILITIES		964,644	974,683
Net assets per share attributable to Owners of the Company (RM)		2.51	2.40

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
		31/3/2022	31/3/2021	31/3/2022	31/3/2021
		(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000	(Unaudited) RM'000
Revenue		183,890	145,533	183,890	145,533
Cost of sales		(128,601)	(114,173)	(128,601)	(114,173)
Gross profit		55,289	31,360	55,289	31,360
Other income		427	456	427	456
Distribution expenses		(12,930)	(8,120)	(12,930)	(8,120)
Administrative expenses		(4,068)	(3,964)	(4,068)	(3,964)
Results from operating activities		38,718	19,732	38,718	19,732
Finance income		642	408	642	408
Finance costs		(390)	(300)	(390)	(300)
Net finance income		252	108	252	108
Operating profit before tax		38,970	19,840	38,970	19,840
Other non- operating income- Change in fair value of biological assets		17,588	12,108	17,588	12,108
Profit before tax	A16	56,558	31,948	56,558	31,948
Taxation	B5	(12,891)	(8,092)	(12,891)	(8,092)
Profit after tax		43,667	23,856	43,667	23,856
Other comprehensive income, net of tax		-	-	-	-
Profit and total comprehensive income for the period		43,667	23,856	43,667	23,856

**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	Preceding Year Corresponding Quarter	Current Year - Period To Date	Preceding Year - Period To Date
		31/3/2022	31/3/2021	31/3/2022	31/3/2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
Owners of the Company		43,313	23,753	43,313	23,753
Non-controlling interests		354	103	354	103
Profit for the period		43,667	23,856	43,667	23,856
Profit and total comprehensive income attributable to:					
Owners of the Company		43,313	23,753	43,313	23,753
Non-controlling interests		354	103	354	103
Profit and total comprehensive income for the period		43,667	23,856	43,667	23,856
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B12	15.52	8.51	15.52	8.51
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 2021 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 2022		340,969	493	(2,105)	331,738	671,095	(6,524)	664,571
Profit and total comprehensive income for the year		-	-	-	43,313	43,313	354	43,667
Less: Third interim, single tier exempt dividend in respect of the financial year ended 2021	B11(a)	-	-	-	(13,951)	(13,951)	-	(13,951)
At 31 March 2022		340,969	493	(2,105)	361,100	700,457	(6,170)	694,287

(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 2021 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 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 2021 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 31/3/2022 (Unaudited) RM'000	Preceding Year - Period To Date 31/3/2021 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	56,558	31,948
<i>Adjustments for:</i>		
Change in fair value of biological assets	(17,588)	(12,108)
Depreciation of property, plant and equipment	4,368	4,520
Depreciation of bearer plants	5,273	3,987
Depreciation of investment properties	63	63
Depreciation of right-of-use assets	491	356
Property, plant and equipment written off	-	36
Inventories written off	3	-
Finance income	(642)	(408)
Finance costs	390	300
Operating profit before changes in working capital	48,916	28,694
Change in inventories	(4,771)	3,350
Change in trade and other receivables, deposits and prepayments	(9,876)	(11,597)
Change in trade and other payables	(4,680)	5,089
Cash generated from operations	29,589	25,536
Tax paid	(10,028)	(4,499)
Interest/Profit paid	(566)	(845)
Hire purchase facility interest/profit paid	(58)	(85)
Interest received	598	306
Net cash from operating activities	19,535	20,413
Cash flows from investing activities		
Acquisition of property, plant and equipment	(652)	(738)
Net movement of deposits with original maturities exceeding three months	(10,445)	(15,500)
Bearer plants (net of depreciation)	(3,780)	(4,431)
Net cash used in investing activities	(14,877)	(20,669)



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

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/3/2022 (Unaudited) RM'000	Preceding Year - Period To Date 31/3/2021 (Unaudited) RM'000
Cash flows from financing activities		
Proceeds from revolving credits	10,000	8,000
Dividends paid to shareholders of the Company	(41,854)	(13,952)
Repayment of term loans and revolving credits	(21,500)	(10,000)
Repayment of hire purchase facilities	(827)	(1,497)
Net cash used in financing activities	(54,181)	(17,449)
Net change in cash and cash equivalents	(49,523)	(17,705)
Cash and cash equivalents as at 1 January	113,621	82,041
Cash and cash equivalents as at 31 March	64,098	64,336
Represented by:		
Deposits with original maturities not exceeding three months	60,917	58,527
Cash and bank balances	3,181	5,809
Cash and cash equivalents	64,098	64,336

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 2021.

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 2022 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 2022:

Standards / Amendments / Interpretations

- Amendments to MFRS 3,
Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9,
Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16,
Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116,
Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137,
Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141,
Agriculture (Annual Improvements to MFRS Standards 2018–2020)

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
• MFRS 17, <i>Insurance Contracts</i>	1 January 2023
• Amendments to MFRS 17, <i>Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023



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

A1. Basis of preparation (continued)

2. Significant accounting policies (continued)

2.2 Standards issued but not yet effective

Standards / Amendments / Interpretations	Effective date
<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 112, <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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 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 financial period.

A4. Material Changes in Estimates

There were no changes in the estimates of amounts reported in prior financial years and preceding interim period, 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
	31/3/2022	31/3/2021
	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
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2021 - 10 sen per ordinary share, paid on 25 January 2022	27,903	-
Third interim, single tier exempt dividend in respect of the financial year ended 31 December 2021 - 5 sen per ordinary share, paid on 29 March 2022	13,951	-
Total	41,854	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 31/3/2022 RM'000	Preceding Year Corresponding Quarter 31/3/2021 RM'000	Current Year Quarter 31/3/2022 RM'000	Preceding Year Corresponding Quarter 31/3/2021 RM'000	Current Year Quarter 31/3/2022 RM'000	Preceding Year Corresponding Quarter 31/3/2021 RM'000
Major products and service lines						
Sales of oil palm products	183,686	145,299	-	-	183,686	145,299
Management/Agronomic services income	-	-	64	84	64	84
	183,686	145,299	64	84	183,750	145,383
Other revenue	-	-	140	150	140	150
Total revenue	183,686	145,299	204	234	183,890	145,533
Major products and service lines						
Geographical markets						
Malaysia	183,686	145,299	64	84	183,750	145,383
Timing and recognition						
At a point in time	183,686	145,299	45	65	183,731	145,364
Over time	-	-	19	19	19	19
	183,686	145,299	64	84	183,750	145,383



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
31/3/2022						
Revenue						
Segment revenue	30,000	519	76,393	167,462	243,855	274,374
Inter-segment	(30,000)	(315)	-	-	(60,169)	(90,484)
External revenue	-	204	76,393	167,462	183,686	183,890
Cost of sales						
Segment cost of sales	-	(440)	(30,859)	(157,563)	(188,422)	(188,862)
Inter-segment	-	20	-	-	60,241	60,261
External cost of sales	-	(420)	(30,859)	(157,563)	(128,181)	(128,601)
Gross (loss)/profit	-	(216)	45,534	9,899	55,505	55,289
Distribution expenses	-	-	(4,748)	(8,182)	(12,930)	(12,930)
Segment (loss)/profit	-	(216)	40,786	1,717	42,575	42,359
Other income including finance income	373	22			729	1,124
Inter-segment	-	-			(55)	(55)
External other income	373	22			674	1,069
Other expenses including finance costs	(343)	(36)			(4,214)	(4,593)
Inter-segment	6	1			128	135
External other expenses	(337)	(35)			(4,086)	(4,458)
Operating profit/(loss) before tax	36	(229)			39,163	38,970
Other non- operating income - Change in fair value of biological assets	-	-			17,588	17,588
Profit/(Loss) before tax	36	(229)			56,751	56,558



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
Other non- operating income - 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)
Segment assets and liabilities

	As At End Of Current Financial Year
	31/3/2022
	RM'000
Segment assets:	
Investment holding	425,789
Oil palm operations	844,189
Management services/Rental	24,311
	<hr/> 1,294,289
Elimination	(329,645)
	<hr/>
Total assets	964,644
	<hr/>
Segment liabilities:	
Investment holding	9,301
Oil palm operations	289,044
Management services/Rental	3,164
	<hr/> 301,509
Elimination	(31,152)
	<hr/>
Total liabilities	270,357
	<hr/> <hr/>

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 2022, there were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinued operations.



Part A – Explanatory Notes Pursuant to MFRS 134

A12. Changes in Contingent Liabilities and Contingent Assets

As at 31 March 2022, 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.

A13. Capital Expenditure Commitments

As at 31 March 2022, 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 31/3/2022
	RM'000
Contracted but not provided for	
Property, plant and equipment	9,398
	<u>9,398</u>

A14. Unfulfilled Contract Obligation

As at 31 March 2022, unfulfilled contract obligation of the Group is as disclosed below:

	At 31/3/2022
	RM'000
Sale Contracts	3,938
	<u>3,938</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 31/3/2022 RM'000	31/3/2021 RM'000
Purchase of goods and/or services :		
a. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	51	53
b. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance fee	228	86
- Purchase of assets	5	-
c. KUB Sepadu Sdn. Bhd.		
- Purchase of fresh fruit bunches	-	2,904
d. Stonehead Sdn. Bhd.		
- Purchase of materials	182	-
e. Butrasemari Sdn. Bhd.		
- Purchase of fresh fruit bunches	1,078	741
f. Ta Ann Plywood Sdn. Bhd.		
- Field maintenance work and rental of machineries	29	-
g. Ironhead Sdn. Bhd.		
- Purchase of equipment	94	251
h. Lik Shen Sawmill Sdn. Bhd.		
- Purchase of materials	10	13
i. Mega Bumimas Sdn. Bhd.		
- Purchase of fresh fruit bunches	558	692
j. Ta Ann Pelita Silas Plantation Sdn Bhd		
- Purchase of fresh fruit bunches	419	541
k. Sebbubu Sdn. Bhd.		
- Purchase of fresh fruit bunches	728	493
l. PSS Oil Mill Sdn. Bhd.		
- Purchase of fresh fruit bunches	4,054	2,215
m. Eagle Forest Sdn. Bhd.		
- Rental of office space	2	5



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/3/2022 RM'000	Preceding Year - Period To Date 31/3/2021 RM'000
Purchase of goods and/or services (continued):		
n. Key Ta Trading Sdn. Bhd.		
- Purchase of spare parts, lubricants and fertilisers	336	356
o. Key Jaya Trading Sdn. Bhd.		
- Purchase of diesel	1,119	821
p. Acosafe Sdn Bhd		
- Insurance premium	159	131
Sales and/or provision of services :		
a. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	6,269	5,702
b. TBS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	5,563	3,225
c. TABM Sdn Bhd		
- Sale of palm kernel shell	176	178
d. Ta Ann Plywood Sdn. Bhd.		
- Sale of seedlings	140	130
- Sale of oil palm seeds	21	-
- Agronomics service fee income	3	4
e. Ta Ann Pelita Baleh Sdn. Bhd.		
- Agronomics service fee income	1	-
f. Ta Ann Pelita Igan Plantation Sdn. Bhd.		
- Agronomics service fee income	1	-
g. Ta Ann Pelita Assan Plantation Sdn. Bhd.		
- Agronomics service fee income	1	-
h. Butrasemari Sdn. Bhd.		
- Agronomics service fee income	1	-



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (3 Months)	
	Current Year - Period To Date 31/3/2022 RM'000	Preceding Year - Period To Date 31/3/2021 RM'000
Sales and/or provision of services (continued) :		
i. Ladang Selezu Sdn. Bhd.		
- Agronomics service fee income	1	-

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.

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

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/3/2022 RM'000	Preceding Year Corresponding Quarter 31/3/2021 RM'000	Current Year - Period To Date 31/3/2022 RM'000	Preceding Year - Period To Date 31/3/2021 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	4,368	4,520	4,368	4,520
Depreciation of right -of- use assets	491	356	491	356
Depreciation of bearer plants	5,273	3,987	5,273	3,987
Depreciation of investment properties	63	63	63	63
Property, plant and equipment written off	-	36	-	36
Inventories written off	3	-	3	-
Finance costs	390	300	390	300
Profit before tax is arrived at after crediting:				
Change in fair value of biological assets	17,588	12,108	17,588	12,108
Other income	427	456	427	456
Finance income	642	408	642	408

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, 2022 vs Quarter 1, 2021

Three Months ended 31 March 2022 vs Three Months ended 31 March 2021

The Group recorded revenue of RM183.9 million in the current interim quarter ended 31 March 2022 compared with RM145.5 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 RM39.0 million for the current interim quarter compared to RM19.8 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 RM56.6 million for the current interim quarter, as compared to RM31.9 million in the corresponding period of the preceding year. This was in line with the increase in operating profit and higher gain arising from changes in fair value of biological assets 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. For the current interim quarter, the oil palm operations segment contributed 99.9% of the Group revenue of RM183.9 million.

Revenue of the oil palm operations increased by RM38.4 million to RM183.7 million in the current interim quarter compared with RM145.3 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 55.5% and 84.2% respectively despite sales volume of CPO and PK decreased by approximately 21.6% and 16.9% respectively for the current interim quarter.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM39.2 million for the current quarter as compared to operating profit before tax of RM19.9 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.

During the current interim quarter, estate operations recorded a revenue and segment profit of RM76.4 million and RM40.8 million respectively, whereas mill operations recorded a revenue and segment profit of RM167.5 million and RM1.7 million respectively.

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 a lower operating profit before tax of RM39.0 million for the current quarter compared with an operating profit before tax of RM56.9 million in the preceding quarter, mainly due to the effect of lower sales volume of CPO and PK by 36.3% and 38.8% despite higher realised average selling price of CPO by 17.2% and PK by 23.0% respectively.

Nevertheless, the Group recorded a profit before tax of RM56.6 million for the current quarter as compared to RM43.8 million in the preceding quarter principally due to gain arising from fair value changes in biological assets of RM17.6 million recognised in current quarter compared to a loss on fair value changes in biological assets of RM11.8 million in the preceding quarter.

B3. Prospects for the Current Financial Year

Crude palm oil (CPO) price is likely to remain bullish in the first half of year 2022, principally driven by high crude oil price due to tight supply of edible oil. CPO price is expected to be moderated in the second half of 2022 following anticipated recovery in production.

Though the COVID-19 pandemic is less severe currently, the Group remains cautious and continuously maintains its measures to mitigate COVID-19 risks in order to keep its work force safe and ensure sustainable operation.

The Group anticipates its production to improve from Quarter 2, 2022 onwards. Barring any unforeseen circumstances and on the assumption that a reasonable level of production is maintained, the Board of Directors anticipates to achieve a satisfactory financial performance for financial year 2022.

B4. Profit Forecast or Profit Guarantee

Not applicable

B5. Taxation

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/3/2022 RM'000	Preceding Year Corresponding Quarter 31/3/2021 RM'000	Current Year - Period To Date 31/3/2022 RM'000	Preceding Year - Period To Date 31/3/2021 RM'000
Current tax expense	10,639	5,152	10,639	5,152
Deferred tax expense	2,252	2,940	2,252	2,940
	<u>12,891</u>	<u>8,092</u>	<u>12,891</u>	<u>8,092</u>

The Group's effective tax rate for the financial period ended 31 March 2022 is higher than the statutory tax rate principally due to non-deductible expenditure.



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

B6. Other Investments

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

The investments as at 31 March 2022 are as follows:

	At 31/3/2022 RM'000
<u>Current</u>	
Deposits with original maturities exceeding three months	72,270

B7. Loans and Borrowings - Secured

	At 31/3/2022 RM'000
<u>Non-current</u>	
Hire purchase facility	1,961
	1,961
<u>Current</u>	
Term Loan (Term Financing -i)	40,500
Revolving credit (Islamic)	10,000
Hire purchase facility	1,932
Hire purchase facility (Islamic)	32
	52,464
Total loans and borrowings	54,425

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.



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)

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% - 5.13% 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.

B10. Changes in Material Litigation

As at 13 May 2022 (*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.



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)

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.

However, pursuant to a case management fixed on 6 December 2021, the Court of Appeal had rescheduled the hearing to 27 April 2022 and had also fixed another case management on 17 March 2022. Thereafter, the Court of Appeal fixed another case management on 5 April 2022. There was no change to the hearing date of 27 April 2022.

On the 27 April 2022, the Court of Appeal decided to adjourn the hearing of the appeal to 25 August 2022 on the basis that since the appeal concerns NCR rights, a physical hearing is preferred where reference could be made to maps and aerial photographs.

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

- (a) On 23 February 2022, the Board of Directors had declared a third interim, single tier dividend of 5 sen per share, totalling approximately RM14 million, in respect of the financial year ended 31 December 2021, paid to shareholders on 29 March 2022.
- (b) On 20 May 2022, 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 2022, to be paid to shareholders on 24 June 2022. The dividend entitlement date shall be on 7 June 2022.

B12. Earnings per Share

	Individual Quarter (Q1)		Cumulative Quarter (3 Months)	
	Current Year Quarter 31/3/2022	Preceding Year Corresponding Quarter 31/3/2021	Current Year - Period To Date 31/3/2022	Preceding Year - Period To Date 31/3/2021
Profit attributable to Owners of the Company (RM'000)	43,313	23,753	43,313	23,753
Weighted average number of ordinary shares in issue (unit)	279,032	279,032	279,032	279,032
Basic earnings per share (sen)	15.52	8.51	15.52	8.51
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A



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

B12. Earnings per Share (continued)

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 2022.

B13. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 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 2022.

By Order of the Board

Company Secretary
Kuching

20 May 2022