



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

INTERIM REPORT FOR 2ND QUARTER ENDED 30 JUNE 2022



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

8th Floor, Wisma Naim, 2½ Mile Rock Road, 93200 Kuching, Sarawak, Malaysia

Telephone No: 082-233550

Facsimile No: 082-233670

Email: spb@spbgroup.com.my

INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

(The figures have not been audited)

	Page
Condensed Consolidated Statement of Financial Position	1 – 2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3 – 4
Condensed Consolidated Statement of Changes in Equity	5 – 6
Condensed Consolidated Statement of Cash Flows	7 – 8
 Explanatory Notes	
 <i>Part A – Explanatory Notes Pursuant to MFRS 134</i>	 <i>9–24</i>
<i>Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)</i>	 <i>25–32</i>



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

	Notes	As At End Of Current Financial period 30/6/2022 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2021 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		260,508	263,811
Bearer plants		329,782	330,646
Right-of-use assets		94,164	95,135
Investment properties		5,340	5,457
Total non-current assets		689,794	695,049
Current assets			
Biological assets		70,852	63,999
Inventories		24,124	19,523
Trade and other receivables		14,994	13,735
Prepayments and other assets		9,370	6,931
Other investments	B6	88,410	61,825
Cash and cash equivalents		64,965	113,621
Total current assets		272,715	279,634
TOTAL ASSETS		962,509	974,683

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position (continued)

(The figures have not been audited)

	Notes	As At End Of Current Financial period 30/6/2022 (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		375,544	330,126
Equity attributable to Owners of the Company		716,513	671,095
Non-controlling interests		(5,908)	(6,524)
Total equity		710,605	664,571
Non-current liabilities			
Deferred tax liabilities		126,882	126,013
Loans and borrowings	B7	1,806	1,905
Lease liabilities		2,452	2,278
Total non-current liabilities		131,140	130,196
Current liabilities			
Trade and other payables		65,854	69,428
Loans and borrowings	B7	29,619	64,847
Lease liabilities		39	232
Current tax payable		25,252	17,506
Dividend payable		-	27,903
Total current liabilities		120,764	179,916
Total liabilities		251,904	310,112
TOTAL EQUITY AND LIABILITIES		962,509	974,683
Net assets per share attributable to Owners of the Company (RM)		2.57	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)



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

	Notes	Individual Quarter (Q2)		Cumulative Quarter (6 Months)	
		Current Year Quarter 30/6/2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/6/2021 (Unaudited) RM'000	Current Year - Period To Date 30/6/2022 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2021 (Unaudited) RM'000
Revenue		207,125	192,562	391,015	338,095
Cost of sales		(134,510)	(145,831)	(263,111)	(260,004)
Gross profit		72,615	46,731	127,904	78,091
Other income		455	467	882	923
Distribution expenses		(16,550)	(10,746)	(29,480)	(18,866)
Administrative expenses		(4,261)	(4,373)	(8,329)	(8,337)
Results from operating activities		52,259	32,079	90,977	51,811
Finance income		688	500	1,330	908
Finance costs		(144)	(216)	(534)	(516)
Net finance income		544	284	796	392
Operating profit before tax		52,803	32,363	91,773	52,203
Other non- operating (expense)/ income- Change in fair value of biological assets		(10,735)	8,290	6,853	20,398
Profit before tax	A16	42,068	40,653	98,626	72,601
Taxation	B5	(11,799)	(11,159)	(24,690)	(19,251)
Profit after tax		30,269	29,494	73,936	53,350
Other comprehensive income, net of tax		-	-	-	-
Profit and total comprehensive income for the period		30,269	29,494	73,936	53,350

**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 (Q2)		Cumulative Quarter (6 Months)	
		Current Year Quarter 30/6/2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/6/2021 (Unaudited) RM'000	Current Year - Period To Date 30/6/2022 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2021 (Unaudited) RM'000
Profit attributable to:					
Owners of the Company		30,007	29,385	73,320	53,138
Non-controlling interests		262	109	616	212
Profit for the period		30,269	29,494	73,936	53,350
Profit and total comprehensive income attributable to:					
Owners of the Company		30,007	29,385	73,320	53,138
Non-controlling interests		262	109	616	212
Profit and total comprehensive income for the period		30,269	29,494	73,936	53,350
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B12	10.75	10.53	26.28	19.04
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						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	Total 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 period		-	-	-	73,320	73,320	616	73,936	
Less: Third interim, single tier exempt dividend in respect of the financial year ended 2021	B11(a)	-	-	-	(13,951)	(13,951)	-	(13,951)	
Less: First interim, single tier exempt dividend in respect of the financial year ending 2022	B11(b)	-	-	-	(13,951)	(13,951)	-	(13,951)	
At 30 June 2022		340,969	493	(2,105)	377,156	716,513	(5,908)	710,605	

(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
	Non-distributable			Distributable				
	Notes	Share capital RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total 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		-	-	-	53,138	53,138	212	53,350
Less: First interim, single tier exempt dividend in respect of the financial year ending 2021		-	-	-	(13,952)	(13,952)	-	(13,952)
At 30 June 2021		340,969	493	(2,105)	284,953	624,310	(9,775)	614,535

(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 (6 Months)	
	Current Year - Period To Date 30/6/2022 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2021 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	98,626	72,601
<i>Adjustments for:</i>		
Change in fair value of biological assets	(6,853)	(20,398)
Depreciation of property, plant and equipment	8,772	8,364
Depreciation of bearer plants	10,501	10,071
Depreciation of investment properties	126	127
Depreciation of right -of- use assets	985	727
Property, plant and equipment written off	200	186
Inventories written off	3	8
Finance income	(1,330)	(908)
Finance costs	534	516
Operating profit before changes in working capital	111,564	71,294
Change in inventories	(4,602)	477
Change in trade and other receivables, deposits and prepayments	(3,654)	(5,836)
Change in trade and other payables	(5,724)	5,835
Cash generated from operations	97,584	71,770
Tax paid	(16,075)	(7,829)
Interest/Profit paid	(1,002)	(1,619)
Hire purchase facility interest/profit paid	(112)	(169)
Interest received	1,287	770
Net cash from operating activities	81,682	62,923

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows

(The figures have not been audited)

	Cumulative Quarter (6 Months)	
	Current Year - Period To Date 30/6/2022 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2021 (Unaudited) RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,796)	(4,544)
Net movement of deposits with original maturities exceeding three months	(26,585)	(31,688)
Bearer plants (net of depreciation)	(8,535)	(9,516)
Net cash used in investing activities	(37,916)	(45,748)
Cash flows from financing activities		
Net proceeds from term loans and revolving credits	10,000	10,125
Dividend paid to shareholders of the Company	(55,805)	(13,952)
Repayment of term loans and revolving credits	(45,000)	(41,200)
Repayment of hire purchase facilities	(1,617)	(2,821)
Net cash used in financing activities	(92,422)	(47,848)
Net decrease in cash and cash equivalents	(48,656)	(30,673)
Cash and cash equivalents as at 1 January	113,621	82,041
Cash and cash equivalents as at 30 June	64,965	51,368
Represented by:		
Deposits with original maturities not exceeding three months	60,428	46,974
Cash and bank balances	4,537	4,394
Cash and cash equivalents	64,965	51,368

(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, Insurance Contracts	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)

2.3 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 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 (6 Months)	
	Current Year	Preceding Year
	- Period to Date	- Period to Date
	30/6/2022	30/6/2021
	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	-
First interim, single tier exempt dividend in respect of the financial year ending 31 December 2022 - 5 sen per ordinary share, paid on 24 June 2022	13,951	-
Total	55,805	13,952

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

Part A – Explanatory Notes Pursuant to MFRS 134**A7. Disaggregation of revenue****Individual Quarter (Q2)**

	Oil palm operation		Management / Agronomic services		Total	
	Current Year Quarter 30/6/2022 RM'000	Preceding Year Corresponding Quarter 30/6/2021 RM'000	Current Year Quarter 30/6/2022 RM'000	Preceding Year Corresponding Quarter 30/6/2021 RM'000	Current Year Quarter 30/6/2022 RM'000	Preceding Year Corresponding Quarter 30/6/2021 RM'000
Major products and service lines						
Sales of oil palm products	206,907	192,358	-	-	206,907	192,358
Management/Agronomic services income	-	-	111	56	111	56
	206,907	192,358	111	56	207,018	192,414
Other revenue	-	-	107	148	107	148
Total revenue	206,907	192,358	218	204	207,125	192,562
Major products and service lines						
Geographical markets						
Malaysia	206,907	192,358	111	56	207,018	192,414
Timing and recognition						
At a point in time	206,907	192,358	92	37	206,999	192,395
Over time	-	-	19	19	19	19
	206,907	192,358	111	56	207,018	192,414



Part A – Explanatory Notes Pursuant to MFRS 134

A7. Disaggregation of revenue

Cumulative Quarter (6 Months)

	Oil palm operation		Management / Agronomic services		Total	
	Current Year- Period To Date 30/6/2022	Preceding Year- Period To Date 30/6/2021	Current Year- Period To Date 30/6/2022	Preceding Year- Period To Date 30/6/2021	Current Year- Period To Date 30/6/2022	Preceding Year- Period To Date 30/6/2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Major products and service lines						
Sales of oil palm products	390,593	337,656	-	-	390,593	337,656
Management/Agronomic services income	-	-	175	140	175	140
	390,593	337,656	175	140	390,768	337,796
Other revenue	-	-	247	299	247	299
Total revenue	390,593	337,656	422	439	391,015	338,095
Major products and service lines						
Geographical markets						
Malaysia	390,593	337,656	175	140	390,768	337,796
Timing and recognition						
At a point in time	390,593	337,656	137	102	390,730	337,758
Over time	-	-	38	38	38	38
	390,593	337,656	175	140	390,768	337,796



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 (Q2)

	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
30/6/2022						
Revenue						
Segment revenue	25,000	515	99,314	185,979	285,293	310,808
Inter-segment	(25,000)	(297)	-	-	(78,386)	(103,683)
External revenue	-	218	99,314	185,979	206,907	207,125
Cost of sales						
Segment cost of sales	-	(346)	(36,860)	(175,762)	(212,622)	(212,968)
Inter-segment	-	20	-	-	78,438	78,458
External cost of sales	-	(326)	(36,860)	(175,762)	(134,184)	(134,510)
Gross (loss)/profit	-	(108)	62,454	10,217	72,723	72,615
Distribution expenses	-	-	(7,239)	(9,311)	(16,550)	(16,550)
Segment (loss)/profit	-	(108)	55,215	906	56,173	56,065
Other income including finance income	440	10			753	1,203
Inter-segment	-	-			(60)	(60)
External other income	440	10			693	1,143
Other expenses including finance costs	(437)	(48)			(4,056)	(4,541)
Inter-segment	5	1			130	136
External other expenses	(432)	(47)			(3,926)	(4,405)
Operating profit/(loss) before tax	8	(145)			52,940	52,803
Other non- operating expense - Change in fair value of biological assets	-	-			(10,735)	(10,735)
Profit/(Loss) before tax	8	(145)			42,205	42,068



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Individual Quarter (Q2)

	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
30/6/2021						
Revenue						
Segment revenue	6,000	524	61,955	178,788	240,743	247,267
Inter-segment	(6,000)	(319)	-	-	(48,386)	(54,705)
External revenue	-	205	61,955	178,788	192,357	192,562
Cost of sales						
Segment cost of sales	-	(407)	(31,071)	(162,818)	(193,889)	(194,296)
Inter-segment	-	20	-	-	48,445	48,465
External cost of sales	-	(387)	(31,071)	(162,818)	(145,444)	(145,831)
Gross (loss)/profit	-	(182)	30,884	15,970	46,913	46,731
Distribution expenses	-	-	(1,393)	(9,353)	(10,746)	(10,746)
Segment (loss)/profit	-	(182)	29,491	6,617	36,167	35,985
Other income including finance income	464	97			645	1,206
Inter-segment	(124)	(3)			(112)	(239)
External other income	340	94			533	967
Other expenses including finance costs	(306)	(64)			3,829	3,459
Inter-segment	5	(16)			(8,037)	(8,048)
External other expenses	(301)	(80)			(4,208)	(4,589)
Operating profit/(loss) before tax	39	(168)			32,492	32,363
Other non- operating income - Change in fair value of biological assets	-	-			8,290	8,290
Profit/(Loss) before tax	39	(168)			40,782	40,653



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Cumulative Quarter (6 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
30/6/2022						
Revenue						
Segment revenue	55,000	1,034	175,707	353,441	529,148	585,182
Inter-segment	(55,000)	(612)	-	-	(138,555)	(194,167)
External revenue	-	422	175,707	353,441	390,593	391,015
Cost of sales						
Segment cost of sales	-	(786)	(67,719)	(333,325)	(401,044)	(401,830)
Inter-segment	-	40	-	-	138,679	138,719
External cost of sales	-	(746)	(67,719)	(333,325)	(262,365)	(263,111)
Gross (loss)/profit	-	(324)	107,988	20,116	128,228	127,904
Distribution expenses	-	-	(11,987)	(17,493)	(29,480)	(29,480)
Segment (loss)/profit	-	(324)	96,001	2,623	98,748	98,424
Other income including finance income	813	32			1,482	2,327
Inter-segment	-	-			(115)	(115)
External other income	813	32			1,367	2,212
Other expenses including finance costs	(780)	(84)			(8,270)	(9,134)
Inter-segment	11	2			258	271
External other expenses	(769)	(82)			(8,012)	(8,863)
Operating profit/(loss) before tax	44	(374)			92,103	91,773
Other non- operating income - Change in fair value of biological assets	-	-			6,853	6,853
Profit/(Loss) before tax	44	(374)			98,956	98,626



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Cumulative Quarter (6 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
30/6/2021						
Revenue						
Segment revenue	14,500	1,034	111,853	312,650	424,503	440,037
Inter-segment	(14,500)	(595)	-	-	(86,847)	(101,942)
External revenue	-	439	111,853	312,650	337,656	338,095
Cost of sales						
Segment cost of sales	-	(758)	(56,052)	(290,153)	(346,205)	(346,963)
Inter-segment	-	40	-	-	86,919	86,959
External cost of sales	-	(718)	(56,052)	(290,153)	(259,286)	(260,004)
Gross (loss)/profit	-	(279)	55,801	22,497	78,370	78,091
Distribution expenses	-	-	(2,313)	(16,553)	(18,866)	(18,866)
Segment (loss)/profit	-	(279)	53,488	5,944	59,504	59,225
Other income including finance income	969	113			1,470	2,552
Inter-segment	(332)	(9)			(380)	(721)
External other income	637	104			1,090	1,831
Other expenses including finance costs	(578)	(269)			(330)	(1,177)
Inter-segment	10	140			(7,826)	(7,676)
External other expenses	(568)	(129)			(8,156)	(8,853)
Operating profit/(loss) before tax	69	(304)			52,438	52,203
Other non- operating income - Change in fair value of biological assets	-	-			20,398	20,398
Profit/(Loss) before tax	69	(304)			72,836	72,601



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Segment assets and liabilities

	As At End Of Current Financial Period
	30/06/2022
	RM'000
Segment assets:	
Investment holding	436,503
Oil palm operations	831,646
Management services/Rental	23,879
	<hr/> 1,292,028
Elimination	(329,519)
	<hr/>
Total assets	962,509
	<hr/> <hr/>
Segment liabilities:	
Investment holding	9,049
Oil palm operations	271,038
Management services/Rental	2,697
	<hr/> 282,784
Elimination	(30,880)
	<hr/>
Total liabilities	251,904
	<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 30 June 2022, 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 June 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 30 June 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 30/6/2022
	RM'000
Contracted but not provided for	
Property, plant and equipment	6,015
	<u>6,015</u>

A14. Unfulfilled Contract Obligation

As at 30 June 2022, unfulfilled contract obligation of the Group is as disclosed below:

	At 30/6/2022
	RM'000
Sale Contracts	3,661
	<u>3,661</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 (6 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/6/2022	30/6/2021
	RM'000	RM'000
Purchase of goods and/or services :		
a. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	67	94
b. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance fee	231	375
- Purchase of assets	80	121
c. KUB Sepadu Sdn. Bhd.		
- Purchase of fresh fruit bunches	-	3,993
d. Stonehead Sdn. Bhd.		
- Purchase of materials	223	82
e. Butrasemari Sdn. Bhd.		
- Purchase of fresh fruit bunches	1,078	741
f. Ironhead Sdn. Bhd.		
- Purchase of equipment	408	492
g. Lik Shen Sawmill Sdn. Bhd.		
- Purchase of materials	12	69
h. Mega Bumimas Sdn. Bhd.		
- Purchase of fresh fruit bunches	558	692
i. Ta Ann Pelita Silas Plantation Sdn Bhd		
- Purchase of fresh fruit bunches	419	541
j. Sebu Sdn. Bhd.		
- Purchase of fresh fruit bunches	728	493
k. PSS Oil Mill Sdn. Bhd.		
- Purchase of fresh fruit bunches	4,054	2,215
l. Eagle Forest Sdn. Bhd.		
- Rental of office space	2	9
m. Key Ta Trading Sdn. Bhd.		
- Purchase of spare parts, lubricants and fertilisers	730	851



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (6 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/6/2022 RM'000	30/6/2021 RM'000
Purchase of goods and/or services (continued):		
n. Key Jaya Trading Sdn. Bhd.		
- Purchase of diesel	2,867	1,808
o. Acosafe Sdn Bhd		
- Insurance premium	548	466
p. Ta Ann Plywood Sdn. Bhd.		
- Field maintenance work and rental of machineries	64	57
q. Ladang Selezu Sdn. Bhd.		
- Purchase of fresh fruit bunches	-	563
r. Tanahead Sdn. Bhd.		
- Rental of office space	2	-
Sales and/or provision of services :		
a. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	13,948	15,314
b. TBS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	10,501	6,776
c. TABM Sdn Bhd		
- Sale of palm kernel shell	473	516
d. Ta Ann Plywood Sdn. Bhd.		
- Sales of seedlings	140	390
- Sales of oil palm seeds	39	54
- Agronomics service fee income	6	8
e. Ta Ann Pelita Ngemah Sdn. Bhd.		
- Sales of seedlings	-	65
f. Ta Ann Pelita Baleh Sdn. Bhd.		
- Agronomics service fee income	1	-
g. Ta Ann Pelita Igan Plantation Sdn. Bhd.		
- Agronomics service fee income	1	-
h. Ta Ann Pelita Assan Plantation Sdn. Bhd.		
- Agronomics service fee income	1	-



Part A – Explanatory Notes Pursuant to MFRS 134

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

	Individual Quarter (Q2)		Cumulative Quarter (6 Months)	
	Current Year Quarter 30/6/2022 RM'000	Preceding Year Corresponding Quarter 30/6/2021 RM'000	Current Year - Period To Date 30/6/2022 RM'000	Preceding Year - Period To Date 30/6/2021 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	4,404	3,844	8,772	8,364
Depreciation of right -of- use assets	494	371	985	727
Depreciation of bearer plants	5,228	6,084	10,501	10,071
Depreciation of investment properties	63	64	126	127
Property, plant and equipment written off	200	150	200	186
Inventories written off	-	8	3	8
Finance costs	144	216	534	516
Other non- operating expense – Change in fair value of biological assets	10,735	-	-	-
Profit before tax is arrived at after crediting:				
Other non- operating income – Change in fair value of biological assets	-	8,290	6,853	20,398
Other income	455	467	882	923
Finance income	688	500	1,330	908

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 2, 2022 vs Quarter 2, 2021

The Group recorded revenue of RM207.1 million in the current interim quarter ended 30 June 2022 compared with RM192.6 million reported in the corresponding period of the preceding year.

The Group's operating profit before tax was RM52.8 million for the current interim quarter compared to RM32.4 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 prices despite lower sales volume of CPO and PK during the current interim quarter.

The Group recorded a profit before tax of RM42.1 million for the current interim quarter, as compared to RM40.7 million in the corresponding period of the preceding year.

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 RM99.3 million and RM55.2 million respectively, whereas mill operations recorded a revenue and segment profit of RM186.0 million and RM0.9 million respectively.

For the current interim quarter, the oil palm operations segment contributed 99.9% of the Group revenue of RM207.1 million.

Revenue of the oil palm operations increased by RM14.5 million to RM206.9 million in the current interim quarter compared with RM192.4 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 53.9% and 34.9% respectively during the current interim quarter.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM52.9 million for the current quarter as compared to operating profit before tax of RM32.5 million for the corresponding period of the preceding year. The increase in operating profit before tax was mainly due to 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

B1. Review of Performance (continued)

Six Months ended 30 June 2022 vs Six Months ended 30 June 2021

The Group recorded revenue of RM391.0 million in the current financial period ended 30 June 2022 compared with RM338.1 million reported in the corresponding period of the preceding year.

The Group's operating profit before tax was RM91.8 million for the current financial period compared to operating profit before tax of RM52.2 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 prices despite lower sales volume of CPO and PK during the current financial period.

The Group recorded a profit before tax of RM98.6 million for the current financial period, as compared to a profit before tax of RM72.6 million in the corresponding period of the preceding year in line with the increase in operating profit 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 RM175.8 million and RM96.0 million respectively, whereas mill operations recorded a revenue and segment profit of RM353.4 million and RM2.6 million respectively.

For the current financial period, the oil palm operations segment contributed 99.9% of the Group revenue of RM391.0 million.

Revenue of the oil palm operations increased by RM52.9 million to RM390.6 million in the current financial period compared with RM337.7 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 54.3% and 57.9%. However, sales volumes of CPO and PK had decreased by approximately 25.3% and 22.7% respectively for the current financial period.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM92.1 million for the current financial period as compared to operating profit before tax of RM52.4 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 RM52.8 million for the current quarter compared with an operating profit before tax of RM39.0 million in the preceding quarter, mainly due to the effect of higher sales volume of CPO and PK by 5.6% and 7.2% respectively and higher realised average selling prices of CPO by 9.4%.

The Group recorded a profit before tax of RM42.1 million for the current quarter as compared to RM56.6 million in the preceding quarter principally due to a loss in fair value changes of biological assets of RM10.7 million for the current interim quarter compared to a gain in fair value changes of biological assets of RM17.6 million in the preceding quarter.

B3. Prospects for the Current Financial Year

Crude palm oil (CPO) price experienced a sharp decline following lifting of the palm oil exports ban by Indonesia and possibly driven by concerns over anticipated slower global economic growth. CPO price has dropped sharply from a historical high of RM7,000 per metric tonne (mt) to below RM4,000 per mt in July 2022.

Continued labour shortage along with rising operating costs remains a great challenge to oil palm plantations. However, CPO price is currently sustainable at around RM4,000 per mt which is still above the unit production cost.

In addition, the Group's financial position remains healthy with reasonable level of liquidity and low gearing. Barring any unforeseen circumstances and with the peak crop months approaching, the Board of Directors anticipates to achieve a satisfactory financial performance for financial year 2022.

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 (Q2)		Cumulative Quarter (6 Months)	
	Current Year Quarter 30/6/2022 RM'000	Preceding Year Corresponding Quarter 30/6/2021 RM'000	Current Year - Period To Date 30/6/2022 RM'000	Preceding Year - Period To Date 30/6/2021 RM'000
Current tax expense	13,182	9,932	23,821	15,084
Deferred tax expenses	(1,383)	1,227	869	4,167
	<u>11,799</u>	<u>11,159</u>	<u>24,690</u>	<u>19,251</u>

The Group's effective tax rate for the financial period ended 30 June 2022 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 30 June 2022 are as follows:

	At 30/6/2022 RM'000
<u>Current</u>	
Deposits with original maturities exceeding three months	88,410
	<u>88,410</u>

B7. Loans and Borrowings - Secured

	At 30/6/2022 RM'000
<u>Non-current</u>	
Hire purchase facility	1,806
	<u>1,806</u>
<u>Current</u>	
Term Loan (Term Financing -i)	27,000
Hire purchase facility	2,603
Hire purchase facility (Islamic)	16
	<u>29,619</u>
	<u>31,425</u>
Total loans and borrowings	<u>31,425</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% - 5.13% 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.



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 16 August 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.

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.



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 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.

Later, via case management fixed on 15 July 2022, the Court of Appeal rescheduled the hearing date from 25 August 2022 to 22 August 2022, and then fixed a further case management date on 9 August 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.

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, paid to shareholders on 24 June 2022.

B12. Earnings per Share

	Individual Quarter (Q2)		Cumulative Quarter (6 Months)	
	Current Year Quarter 30/6/2022	Preceding Year Corresponding Quarter 30/6/2021	Current Year - Period To Date 30/6/2022	Preceding Year - Period To Date 30/6/2021
Profit attributable to Owners of the Company (RM'000)	30,007	29,385	73,320	53,138
Weighted average number of ordinary shares in issue (unit)	279,032	279,032	279,032	279,032
Basic earnings per share (sen)	10.75	10.53	26.28	19.04
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 June 2022.



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 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 23 August 2022.

By Order of the Board

Company Secretary
Kuching

23 August 2022