



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

INTERIM REPORT FOR 2ND QUARTER ENDED 30 JUNE 2023



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

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INTERIM REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

(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 30/6/2023 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2022 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		260,419	262,664
Bearer plants		330,600	330,169
Right-of-use assets		92,799	95,226
Investment properties		5,107	5,223
Total non-current assets		688,925	693,282
Current assets			
Biological assets		62,918	56,828
Inventories		21,412	18,182
Trade and other receivables		8,894	13,459
Prepayments and other assets		8,839	7,380
Other investments	B6	48,787	35,560
Cash and cash equivalents		85,760	125,985
Total current assets		236,610	257,394
TOTAL ASSETS		925,535	950,676

**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 30/6/2023 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2022 (Audited) RM'000
	Notes		
EQUITY AND LIABILITIES			
Equity			
Share capital	A5	340,969	340,969
Reserves		385,663	371,032
Equity attributable to Owners of the Company		726,632	712,001
Non-controlling interests		(5,948)	(6,046)
Total equity		720,684	705,955
Non-current liabilities			
Deferred tax liabilities		123,790	123,007
Loans and borrowings	B7	644	1,315
Lease liabilities		2,411	2,434
Total non-current liabilities		126,845	126,756
Current liabilities			
Trade and other payables		50,645	64,928
Loans and borrowings	B7	1,652	10,279
Lease liabilities		42	39
Current tax payable		11,716	14,816
Dividend payable		13,951	27,903
Total current liabilities		78,006	117,965
Total liabilities		204,851	244,721
TOTAL EQUITY AND LIABILITIES		925,535	950,676
Net assets per share attributable to Owners of the Company (RM)		2.60	2.55

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 30/6/2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/6/2022 (Unaudited) RM'000	Current Year - Period To Date 30/6/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2022 (Unaudited) RM'000
Revenue		127,350	207,125	238,806	391,015
Cost of sales		(100,335)	(134,510)	(190,435)	(263,111)
Gross profit		27,015	72,615	48,371	127,904
Other income		975	455	3,556	882
Distribution expenses		(7,062)	(16,550)	(13,547)	(29,480)
Administrative expenses		(4,080)	(4,261)	(7,941)	(8,329)
Results from operating activities		16,848	52,259	30,439	90,977
Finance income		1,017	688	2,083	1,330
Finance costs		(93)	(144)	(177)	(534)
Net finance income		924	544	1,906	796
Operating profit before tax		17,772	52,803	32,345	91,773
Other non- operating income/ (expense) - Change in fair value of biological assets		4,632	(10,735)	6,089	6,853
Profit before tax	A16	22,404	42,068	38,434	98,626
Taxation	B5	(5,654)	(11,799)	(9,604)	(24,690)
Profit after tax		16,750	30,269	28,830	73,936
Other comprehensive income, net of tax		-	-	-	-
Profit and total comprehensive income for the period		16,750	30,269	28,830	73,936

**SARAWAK PLANTATION BERHAD**

Registration No. 199701035877 (451377-P)

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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 30/6/2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/6/2022 (Unaudited) RM'000	Current Year - Period To Date 30/6/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2022 (Unaudited) RM'000
Profit attributable to:					
Owners of the Company		16,557	30,007	28,582	73,320
Non-controlling interests		193	262	248	616
Profit for the period		16,750	30,269	28,830	73,936
Profit and total comprehensive income attributable to:					
Owners of the Company		16,557	30,007	28,582	73,320
Non-controlling interests		193	262	248	616
Profit and total comprehensive income for the period		16,750	30,269	28,830	73,936
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B12	5.93	10.75	10.24	26.28
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 2022 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 2023		340,969	493	(2,105)	372,644	712,001	(6,046)	705,955	
Profit and total comprehensive income for the period		-	-	-	28,582	28,582	248	28,830	
Less: First interim, single tier exempt dividend in respect of the financial year ending 2023	B11(b)	-	-	-	(13,951)	(13,951)	-	(13,951)	
Dividend paid to non-controlling interest		-	-	-	-	-	(150)	(150)	
At 30 June 2023		340,969	493	(2,105)	387,275	726,632	(5,948)	720,684	

(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 2022 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)

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 period	-	-	-	73,320	73,320	616	73,936
Less: Third interim, single tier exempt dividend in respect of the financial year ended 2021	-	-	-	(13,951)	(13,951)	-	(13,951)
Less: First interim, single tier exempt dividend in respect of the financial year ending 2022	-	-	-	(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 2022 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 30/6/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2022 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	38,434	98,626
<i>Adjustments for:</i>		
Change in fair value of biological assets	(6,089)	(6,853)
Depreciation of property, plant and equipment	9,041	8,772
Depreciation of bearer plants	10,499	10,501
Depreciation of investment properties	116	126
Depreciation of right -of- use assets	984	985
Gain on disposal of right -of- use assets	(1,397)	-
Loss on disposal of property, plant and equipment	7	-
Property, plant and equipment written off	1	200
Inventories written off	-	3
Finance income	(2,083)	(1,330)
Finance costs	177	534
Operating profit before changes in working capital	49,690	111,564
Change in inventories	(3,230)	(4,602)
Change in trade and other receivables, deposits and prepayments	2,934	(3,654)
Change in trade and other payables	(13,863)	(5,724)
Cash generated from operations	35,531	97,584
Net tax paid	(11,921)	(16,075)
Interest/Profit paid	(209)	(1,002)
Hire purchase facility interest/profit paid	(73)	(112)
Interest received	2,253	1,287
Net cash from operating activities	25,581	81,682



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

	Cumulative Quarter (6 Months)	
	Current Year - Period To Date 30/6/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/6/2022 (Unaudited) RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(6,735)	(2,796)
Net movement of deposits with original maturities exceeding three months	(13,227)	(26,585)
Bearer plants (net of depreciation)	(10,178)	(8,535)
Proceeds from disposal of property, plant and equipment	168	-
Proceeds from disposal of right -of- use assets	1,537	-
Net cash used in investing activities	(28,435)	(37,916)
Cash flows from financing activities		
Proceeds from revolving credits	10,000	10,000
Dividend paid to shareholders of the Company	(27,903)	(55,805)
Dividend paid to non-controlling interest	(150)	-
Repayment of term loans and revolving credits	(18,000)	(45,000)
Repayment of hire purchase facilities	(1,298)	(1,617)
Repayment of lease liabilities	(20)	-
Net cash used in financing activities	(37,371)	(92,422)
Net decrease in cash and cash equivalents	(40,225)	(48,656)
Cash and cash equivalents as at 1 Jan	125,985	113,621
Cash and cash equivalents as at 30 June	85,760	64,965
Represented by:		
Deposits with original maturities not exceeding three months	81,561	60,428
Cash and bank balances	4,199	4,537
Cash and cash equivalents	85,760	64,965

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 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 2022.

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 2023 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 2023:

Standards / Amendments / Interpretations

- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform – Pillar Two Model Rules*

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

2.2 Standards issued but not yet effective

Standards / Amendments / Interpretations	Effective date
• Amendments to MFRS 16, <i>Leases – Lease Liability in a Sale and Leaseback</i>	1 January 2024
• Amendments to MFRS 101, <i>Presentation of Financial Statements – Non-current Liabilities with Covenants</i>	1 January 2024
• Amendments to MFRS 107, <i>Statement of Cash Flows and MFRS 7, Financial Instruments: Disclosures - Supplier Finance Arrangements</i>	1 January 2024



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 (continued)

Standards / Amendments / Interpretations	Effective date
<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 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 - Period to Date 30/6/2023 RM'000	Preceding Year - Period to Date 30/6/2022 RM'000
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
Second interim, single tier exempt dividend in respect of the financial year ended 31 December 2022 - 10 sen per ordinary share, paid on 19 January 2023	27,903	-
Total	27,903	55,805

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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 30/6/2023 RM'000	Preceding Year Corresponding Quarter 30/6/2022 RM'000	Current Year Quarter 30/6/2023 RM'000	Preceding Year Corresponding Quarter 30/6/2022 RM'000	Current Year Quarter 30/6/2023 RM'000	Preceding Year Corresponding Quarter 30/6/2022 RM'000
Major products and service lines						
Sales of oil palm products	127,159	206,907	-	-	127,159	206,907
Management/Agronomic services income	-	-	85	111	85	111
	127,159	206,907	85	111	127,244	207,018
Other revenue	-	-	106	107	106	107
Total revenue	127,159	206,907	191	218	127,350	207,125
Major products and service lines						
Geographical markets						
Malaysia	127,159	206,907	85	111	127,244	207,018
Timing and recognition						
At a point in time	127,159	206,907	85	92	127,244	206,999
Over time	-	-	-	19	-	19
	127,159	206,907	85	111	127,244	207,018



Part A – Explanatory Notes Pursuant to MFRS 134

A7. Disaggregation of revenue (continued)

Cumulative Quarter (6 Months)

	Oil palm operation		Management / Agronomic services		Total	
	Current Year- Period To Date 30/6/2023 RM'000	Preceding Year- Period To Date 30/6/2022 RM'000	Current Year- Period To Date 30/6/2023 RM'000	Preceding Year- Period To Date 30/6/2022 RM'000	Current Year- Period To Date 30/6/2023 RM'000	Preceding Year- Period To Date 30/6/2022 RM'000
Major products and service lines						
Sales of oil palm products	238,412	390,593	-	-	238,412	390,593
Management/Agronomic services income	-	-	181	175	181	175
	238,412	390,593	181	175	238,593	390,768
Other revenue	-	-	213	247	213	247
Total revenue	238,412	390,593	394	422	238,806	391,015
Major products and service lines						
Geographical markets						
Malaysia	238,412	390,593	181	175	238,593	390,768
Timing and recognition						
At a point in time	238,412	390,593	181	137	238,593	390,730
Over time	-	-	-	38	-	38
	238,412	390,593	181	175	238,593	390,768



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
30/6/2023						
Revenue						
Segment revenue	4,500	601	48,725	118,253	166,978	172,079
Inter-segment	(4,500)	(410)	-	-	(39,819)	(44,729)
External revenue	-	191	48,725	118,253	127,159	127,350
Cost of sales						
Segment cost of sales	-	(407)	(35,812)	(104,120)	(139,932)	(140,339)
Inter-segment	-	20	-	-	39,984	40,004
External cost of sales	-	(387)	(35,812)	(104,120)	(99,948)	(100,335)
Gross (loss)/profit	-	(196)	12,913	14,133	27,211	27,015
Distribution expenses	-	-	(662)	(6,400)	(7,062)	(7,062)
Segment (loss)/profit	-	(196)	12,251	7,733	20,149	19,953
Other income including finance income	840	33			1,181	2,054
Inter-segment	-	-			(62)	(62)
External other income	840	33			1,119	1,992
Other expenses including finance costs	(455)	(45)			(3,810)	(4,310)
Inter-segment	7	1			129	137
External other expenses	(448)	(44)			(3,681)	(4,173)
Operating profit/(loss) before tax	392	(207)			17,587	17,772
Other non-operating income - Change in fair value of biological assets	-	-			4,632	4,632
Profit/(Loss) before tax	392	(207)			22,219	22,404



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)

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
30/6/2023						
Revenue						
Segment revenue	4,850	1,095	95,547	221,300	316,847	322,792
Inter-segment	(4,850)	(701)	-	-	(78,435)	(83,986)
External revenue	-	394	95,547	221,300	238,412	238,806
Cost of sales						
Segment cost of sales	-	(758)	(71,563)	(196,802)	(268,365)	(269,123)
Inter-segment	-	40	-	-	78,648	78,688
External cost of sales	-	(718)	(71,563)	(196,802)	(189,717)	(190,435)
Gross (loss)/profit	-	(324)	23,984	24,498	48,695	48,371
Distribution expenses	-	-	(1,599)	(11,948)	(13,547)	(13,547)
Segment (loss)/profit	-	(324)	22,385	12,550	35,148	34,824
Other income including finance income	1,727	72			3,961	5,760
Inter-segment	-	-			(121)	(121)
External other income	1,727	72			3,840	5,639
Other expenses including finance costs	(831)	(93)			(7,468)	(8,392)
Inter-segment	13	3			258	274
External other expenses	(818)	(90)			(7,210)	(8,118)
Operating profit/(loss) before tax	909	(342)			31,778	32,345
Other non-operating income - Change in fair value of biological assets	-	-			6,089	6,089
Profit/(Loss) before tax	909	(342)			37,867	38,434



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)
Segment assets and liabilities

	As At End Of Current Financial Period
	30/6/2023
	RM'000
Segment assets:	
Investment holding	452,668
Oil palm operations	779,895
Management services/Rental	21,944
	<hr/> 1,254,507
Elimination	(328,972)
	<hr/>
Total assets	925,535
	<hr/>
Segment liabilities:	
Investment holding	23,358
Oil palm operations	210,599
Management services/Rental	653
	<hr/> 234,610
Elimination	(29,759)
	<hr/>
Total liabilities	204,851
	<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 2023, 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 2023, 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 2023, 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 30/6/2023
	RM'000
Contracted but not provided for	
Property, plant and equipment	2,428

A14. Unfulfilled Contract Obligation

As at 30 June 2023, unfulfilled contract obligation of the Group is as disclosed below:

	At 30/6/2023
	RM'000
Sale Contracts	7,117

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)	
	Current Year - Period To Date 30/6/2023	Preceding Year - Period To Date 30/6/2022
	RM'000	RM'000
Purchase of goods and/or services :		
a. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	102	67
b. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance fee	237	231
- Purchase of assets and IT equipment	12	80
c. Stonehead Sdn. Bhd.		
- Purchase of materials	717	223



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 30/6/2023	30/6/2022
	RM'000	RM'000
Purchase of goods and/or services :		
d. Butrasemari Sdn. Bhd.		
- Purchase of fresh fruit bunches	234	1,078
e. Ta Ann Plywood Sdn. Bhd.		
- Field maintenance work and rental of machineries	3	64
f. Ironhead Sdn. Bhd.		
- Purchase of equipment	484	408
- Services of equipment	6	-
g. Lik Shen Sawmill Sdn. Bhd.		
- Purchase of materials	24	12
h. Mega Bumimas Sdn. Bhd.		
- Purchase of fresh fruit bunches	-	558
i. Ta Ann Pelita Silas Plantation Sdn Bhd		
- Purchase of fresh fruit bunches	-	419
j. Sebbubu Sdn. Bhd.		
- Purchase of fresh fruit bunches	-	728
k. PSS Oil Mill Sdn. Bhd.		
- Purchase of fresh fruit bunches	-	4,054
l. Eagle Forest Sdn. Bhd.		
- Rental of office space	-	2
m. Key Ta Trading Sdn. Bhd.		
- Purchase of spare parts, lubricants and fertilisers	709	730
- Transport service	92	-
n. Key Jaya Trading Sdn. Bhd.		
- Purchase of diesel	1,515	2,867
o. Acosafe Sdn Bhd		
- Insurance premium	540	548
p. Ladang Selezu Sdn. Bhd.		
- Purchase of fresh fruit bunches	157	-



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 30/6/2023	30/6/2022
	RM'000	RM'000
Purchase of goods and/or services (continued):		
q. Ta Ann Holdings Bhd		
- Rental of office space	29	-
r. TBS Oil Mill Sdn. Bhd.		
- Transport service	120	-
s. Tanahead Sdn. Bhd.		
- Rental of office space	-	2
t. Pelitama Sdn. Bhd.		
- Purchase of spare parts	18	-
Sales and/or provision of services :		
a. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	9,347	13,948
b. TBS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	5,684	10,501
c. TABM Sdn Bhd		
- Sale of palm kernel shell	2,335	473
d. Ta Ann Plywood Sdn. Bhd.		
- Sales of seedlings	-	140
- Sales of oil palm seeds	109	39
- Agronomics service fee income	12	6
e. Ta Ann Pelita Ngemah Sdn. Bhd.		
- Agronomics service fee income	2	1
f. Ta Ann Pelita Baleh Sdn. Bhd.		
- Agronomics service fee income	-	1
g. Ta Ann Pelita Igan Plantation Sdn. Bhd.		
- Agronomics service fee income	5	1
h. Ta Ann Pelita Assan Plantation Sdn. Bhd.		
- Agronomics service fee income	1	1



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (6 Months)	
	Current Year - Period To Date 30/6/2023 RM'000	Preceding Year - Period To Date 30/6/2022 RM'000
Sales and/or provision of services (continued) :		
i. Butrasemari Sdn. Bhd.		
- Agronomics service fee income	3	1
j. Ladang Selezu Sdn. Bhd.		
- Agronomics service fee income	3	1
k. Sebbubu Sdn. Bhd.		
- Agronomics service fee income	1	-
l. Palmhead Sdn. Bhd		
- Agronomics service fee income	3	-

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 (Q2)		Cumulative Quarter (6 Months)	
	Current Year Quarter 30/6/2023 RM'000	Preceding Year Corresponding Quarter 30/6/2022 RM'000	Current Year - Period To Date 30/6/2023 RM'000	Preceding Year - Period To Date 30/6/2022 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	4,562	4,404	9,041	8,772
Depreciation of right -of- use assets	494	494	984	985
Depreciation of bearer plants	5,250	5,228	10,499	10,501
Depreciation of investment properties	58	63	116	126
Property, plant and equipment written off	-	200	1	200
Loss on disposal of property, plant and equipment	7	-	7	-
Inventories written off	-	-	-	3
Finance costs	93	144	177	534
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	4,632	-	6,089	6,853
Gain on disposal of right -of- use assets	-	-	1,397	-
Other income	975	455	2,159	882
Finance income	1,017	688	2,083	1,330

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, 2023 vs Quarter 2, 2022

The Group recorded revenue of RM127.4 million in the current interim quarter ended 30 June 2023 compared with RM207.1 million reported in the corresponding period of the preceding year.

The Group's operating profit before tax was RM17.8 million for the current interim quarter compared to RM52.8 million for the corresponding period of the preceding year. The decrease in operating profit was principally due to the effect of lower realised average selling prices of CPO and PK despite higher sales volume of CPO and PK during the current interim quarter.

The Group recorded a profit before tax of RM22.4 million for the current interim quarter, as compared to RM42.1 million in the corresponding period of the preceding year. The Group recorded a gain on fair value changes in biological assets of RM4.6 million in the current interim quarter compared against a loss on fair value changes in biological assets of RM10.7 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 segment revenue and segment profit of RM48.7 million and RM12.3 million respectively, whereas mill operations recorded a segment revenue and segment profit of RM118.3 million and RM7.7 million respectively.

For the current interim quarter, the oil palm operations segment contributed 99.9% of the Group revenue of RM127.4 million.

Revenue of the oil palm operations decreased by RM79.7 million to RM127.2 million in the current interim quarter compared with RM206.9 million reported in the corresponding period of the preceding year. The decrease was principally attributable to the lower realised average selling prices of CPO and PK by 41.6% and 44.4% despite higher sales volume of CPO and PK by 8.1% and 10.0% respectively during the current interim quarter.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM17.6 million for the current quarter as compared to operating profit before tax of RM52.9 million for the corresponding period of the preceding year. The decrease in operating profit before tax was in line with the decline 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 2023 vs Six Months ended 30 June 2022

The Group recorded revenue of RM238.8 million in the current financial period ended 30 June 2023 compared with RM391.0 million reported in the corresponding period of the preceding year.

The Group's operating profit before tax was RM32.3 million for the current financial period compared to operating profit before tax of RM91.8 million for the corresponding period of the preceding year. The decrease in operating profit was principally due to the effect of lower realised average selling prices despite higher sales volume of CPO and PK during the current financial period.

The Group recorded a profit before tax of RM38.4 million for the current financial period, as compared to a profit before tax of RM98.6 million in the corresponding period of the preceding year in line with the decrease 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 segment revenue and segment profit of RM95.5 million and RM22.4 million respectively, whereas mill operations recorded a segment revenue and segment profit of RM221.3 million and RM12.6 million respectively.

For the current financial period, the oil palm operations segment contributed 99.8% of the Group revenue of RM238.8 million.

Revenue of the oil palm operations decreased by RM152.2 million to RM238.4 million in the current financial period compared with RM390.6 million reported in the corresponding period of the preceding year. The decrease was principally attributed to the effect of lower realised average selling price despite higher sales volume of CPO and PK during the current financial period.

Average selling prices of CPO and PK had decreased approximately by 38.0% and 50.8%. However, sales volumes of CPO and PK had increased by approximately 2.0% and 4.9% respectively for the current financial period.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM31.8 million for the current financial period as compared to operating profit before tax of RM92.1 million for the corresponding period of the preceding year. The decrease in operating profit before tax was in line with the decrease 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 RM17.8 million for the current quarter compared with an operating profit before tax of RM14.6 million in the preceding quarter, mainly due to the effect of higher sales volume of CPO and PK by 19.4% and 18.6% respectively.

The Group recorded a profit before tax of RM22.4 million for the current quarter as compared to RM16.0 million in the preceding quarter. The increase in profit before tax was in line with the increase in operating profit before tax coupled with higher gain on fair value changes in biological assets.

B3. Prospects for the Current Financial Year

Both fresh fruit bunches (“FFB”) and crude palm oil (“CPO”) production in the second half of the year will be higher than first half of the year due to peak crop periods occurring in August 2023 to October 2023. However, if the Russia-Ukraine War continues, commodity prices are affected which in turn impact living costs and food security. This is further fortified by there being no new plantations within the last three to four years in Indonesia and Malaysia. Therefore, the Board of Directors is of the view that CPO price at around RM4,000 per metric tonne is sustainable.

With this view and barring any unforeseen circumstances, the Board anticipates to achieve satisfactory results for the current financial year.

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 30/6/2023 RM'000	Preceding Year Corresponding Quarter 30/6/2022 RM'000	Current Year - Period To Date 30/6/2023 RM'000	Preceding Year - Period To Date 30/6/2022 RM'000
Current tax expense	5,176	13,182	8,821	23,821
Deferred taxation	478	(1,383)	783	869
	<u>5,654</u>	<u>11,799</u>	<u>9,604</u>	<u>24,690</u>

The Group's effective tax rate for the quarter under review is higher than the statutory tax rate principally due to non deductible expenditure.

B6. Other Investments

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

The investments as at 30 June 2023 are as follows:

	At 30/6/2023 RM'000
<u>Current</u>	
Deposits with original maturities exceeding three months	48,787

B7. Loans and Borrowings - Secured

	At 30/6/2023 RM'000
<u>Non-current</u>	
Hire purchase facilities	644
	<u>644</u>
<u>Current</u>	
Hire purchase facilities	1,652
	<u>1,652</u>
Total loans and borrowings	<u><u>2,296</u></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.

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.

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 15 August 2023 (being the latest practicable date which is not earlier than 7 days from the date of the issue of this quarterly report), there is no 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.

B11. Dividend Declared

- (a) On 29 November 2022, the Board of Directors had declared a second interim, single tier dividend of 10 sen per share, totalling approximately RM28 million, in respect of the financial year ended 31 December 2022, paid to shareholders on 19 January 2023.
- (b) On 23 May 2023, 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 2023, paid to shareholders on 6 July 2023.

**Part B – Explanatory Notes Pursuant to Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad****B12. Earnings per Share**

	Individual Quarter (Q2)		Cumulative Quarter (6 Months)	
	Current Year Quarter 30/6/2023	Preceding Year Corresponding Quarter 30/6/2022	Current Year - Period To Date 30/6/2023	Preceding Year - Period To Date 30/6/2022
Profit attributable to Owners of the Company (RM'000)	16,557	30,007	28,582	73,320
Weighted average number of ordinary shares in issue (unit)	279,032	279,032	279,032	279,032
Basic earnings per share (sen)	5.93	10.75	10.24	26.28
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 2023.

B13. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 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 22 August 2023.

By Order of the Board

Company Secretary
Kuching

22 August 2023