



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

INTERIM REPORT FOR 3RD QUARTER ENDED 30 SEPTEMBER 2023



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

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INTERIM REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 30/9/2023 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2022 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		257,709	262,664
Bearer plants		331,052	330,169
Right-of-use assets		92,258	95,226
Investment properties		5,049	5,223
Total non-current assets		686,068	693,282
Current assets			
Biological assets		64,145	56,828
Inventories		29,035	18,182
Trade and other receivables		17,634	13,459
Prepayments and other assets		10,798	7,380
Other investments	B6	53,437	35,560
Cash and cash equivalents		81,389	125,985
Total current assets		256,438	257,394
TOTAL ASSETS		942,506	950,676



Condensed Consolidated Statement of Financial Position (continued)

(The figures have not been audited)

		As At End Of Current Financial Period 30/9/2023 (Unaudited) RM'000	As At End Of Preceding Financial Year 31/12/2022 (Audited) RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	A5	340,969	340,969
Reserves		412,786	371,032
Equity attributable to Owners of the Company		753,755	712,001
Non-controlling interests		(5,947)	(6,046)
Total equity		747,808	705,955
Non-current liabilities			
Deferred tax liabilities		124,629	123,007
Loans and borrowings	B7	455	1,315
Lease liabilities		2,401	2,434
Total non-current liabilities		127,485	126,756
Current liabilities			
Trade and other payables		59,542	64,928
Loans and borrowings	B7	1,288	10,279
Lease liabilities		42	39
Current tax payable		6,341	14,816
Dividend payable		-	27,903
Total current liabilities		67,213	117,965
Total liabilities		194,698	244,721
TOTAL EQUITY AND LIABILITIES		942,506	950,676
Net assets per share attributable to Owners of the Company (RM)		2.70	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 (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter 30/9/2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/9/2022 (Unaudited) RM'000	Current Year - Period To Date 30/9/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2022 (Unaudited) RM'000
Revenue		172,646	161,814	411,452	552,829
Cost of sales		(125,219)	(120,934)	(315,654)	(384,045)
Gross profit		47,427	40,880	95,798	168,784
Other income		490	932	4,046	1,814
Distribution expenses		(9,404)	(9,247)	(22,951)	(38,727)
Administrative expenses		(4,390)	(7,051)	(12,331)	(15,380)
Results from operating activities		34,123	25,514	64,562	116,491
Finance income		1,203	851	3,286	2,181
Finance costs		(55)	(161)	(232)	(695)
Net finance income		1,148	690	3,054	1,486
Operating profit before tax		35,271	26,204	67,616	117,977
Other non- operating income / (expense) - Change in fair value of biological assets		1,228	(1,730)	7,317	5,123
Profit before tax	A16	36,499	24,474	74,933	123,100
Taxation	B5	(9,255)	(6,285)	(18,859)	(30,975)
Profit after tax		27,244	18,189	56,074	92,125
Other comprehensive income, net of tax		-	-	-	-
Profit and total comprehensive income for the period		27,244	18,189	56,074	92,125



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

	Notes	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
		Current Year Quarter 30/9/2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30/9/2022 (Unaudited) RM'000	Current Year - Period To Date 30/9/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2022 (Unaudited) RM'000
Profit attributable to:					
Owners of the Company		27,123	18,263	55,705	91,583
Non-controlling interests		121	(74)	369	542
Profit for the period		27,244	18,189	56,074	92,125
Profit and total comprehensive income attributable to:					
Owners of the Company		27,123	18,263	55,705	91,583
Non-controlling interests		121	(74)	369	542
Profit and total comprehensive income for the period		27,244	18,189	56,074	92,125
Basic earnings per ordinary share attributable to Owners of the Company (sen):					
Basic	B12	9.72	6.55	19.96	32.82
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)

Attributable to Owners of the Company

	Notes	Attributable to Owners of the Company				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Equity reserve RM'000	Treasury shares RM'000	Retained earnings 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		-	-	-	55,705	55,705	369	56,074
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		-	-	-	-	-	(270)	(270)
At 30 September 2023		340,969	493	(2,105)	414,398	753,755	(5,947)	747,808

(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 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	-	-	-	91,583	91,583	542	92,125
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)
Dividend paid to non-controlling interest	-	-	-	-	-	(150)	(150)
At 30 September 2022	340,969	493	(2,105)	395,419	734,776	(6,132)	728,644

(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 (9 Months)	
	Current Year - Period To Date 30/9/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2022 (Unaudited) RM'000
Cash flows from operating activities		
Profit before tax	74,933	123,100
<i>Adjustments for:</i>		
Change in fair value of biological assets	(7,317)	(5,123)
Depreciation of property, plant and equipment	13,718	12,813
Depreciation of bearer plants	15,971	17,047
Depreciation of investment properties	175	175
Depreciation of right -of- use assets	1,508	1,475
Gain on disposal of right -of- use assets	(1,397)	-
Gain on disposal of property, plant and equipment	(15)	-
Property, plant and equipment written off	1	200
Inventories written off	-	3
Finance income	(3,286)	(2,181)
Finance costs	232	695
Operating profit before changes in working capital	94,523	148,204
Change in inventories	(10,853)	(3,198)
Change in trade and other receivables, deposits and prepayments	(7,225)	18
Change in trade and other payables	(12,154)	(1,894)
Cash generated from operations	64,291	143,130
Net tax paid	(25,712)	(32,262)
Interest/Profit paid	(98)	(1,316)
Hire purchase facility interest/profit paid	(275)	(171)
Interest received	2,918	2,070
Net cash from operating activities	41,124	111,451



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

	Cumulative Quarter (9 Months)	
	Current Year - Period To Date 30/9/2023 (Unaudited) RM'000	Preceding Year - Period To Date 30/9/2022 (Unaudited) RM'000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(9,290)	(7,334)
Net movement of deposits with original maturities exceeding three months	(17,877)	(28,759)
Bearer plants (net of depreciation)	(8,275)	(13,278)
Proceeds from disposal of property, plant and equipment	190	-
Proceeds from disposal of right -of- use assets	1,537	-
Net cash used in investing activities	(33,715)	(49,371)
Cash flows from financing activities		
Proceeds from revolving credits	14,800	18,000
Dividend paid to shareholders of the Company	(41,854)	(55,805)
Dividend paid to non-controlling interest	(270)	(150)
Repayment of term loans and revolving credits	(22,800)	(58,500)
Repayment of hire purchase facilities	(1,852)	(2,625)
Repayment of lease liabilities	(29)	-
Net cash used in financing activities	(52,005)	(99,080)
Net decrease in cash and cash equivalents	(44,596)	(37,000)
Cash and cash equivalents as at 1 Jan	125,985	113,621
Cash and cash equivalents as at 30 September	81,389	76,621
Represented by:		
Deposits with original maturities not exceeding three months	77,272	73,270
Cash and bank balances	4,117	3,351
Cash and cash equivalents	81,389	76,621

(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</i> and MFRS 7, <i>Financial Instruments: Disclosures - Supplier Finance Arrangements</i>	1 January 2024
• Amendments to MFRS 121, <i>The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability</i>	1 January 2025



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 (9 Months)	
	Current Year - Period to Date 30/9/2023 RM'000	Preceding Year - Period to Date 30/9/2022 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 ended 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	-
First interim, single tier exempt dividend in respect of the financial year ending 31 December 2023 - 5 sen per ordinary share, paid on 6 July 2023	13,951	
Total	41,854	55,805



Part A – Explanatory Notes Pursuant to MFRS 134

A7. Disaggregation of revenue

Individual Quarter (Q3)

	Oil palm operation		Management / Agronomic services		Total	
	Current Year Quarter 30/9/2023 RM'000	Preceding Year Corresponding Quarter 30/9/2022 RM'000	Current Year Quarter 30/9/2023 RM'000	Preceding Year Corresponding Quarter 30/9/2022 RM'000	Current Year Quarter 30/9/2023 RM'000	Preceding Year Corresponding Quarter 30/9/2022 RM'000
Major products and service lines						
Sales of oil palm products	172,354	161,589	-	-	172,354	161,589
Management/Agronomic services income	-	-	185	118	185	118
	172,354	161,589	185	118	172,539	161,707
Other revenue	-	-	107	107	107	107
Total revenue	172,354	161,589	292	225	172,646	161,814
Major products and service lines						
Geographical markets						
Malaysia	172,354	161,589	185	118	172,539	161,707
Timing and recognition						
At a point in time	172,354	161,589	185	99	172,539	161,688
Over time	-	-	-	19	-	19
	172,354	161,589	185	118	172,539	161,707



Part A – Explanatory Notes Pursuant to MFRS 134

A7. Disaggregation of revenue (continued)

Cumulative Quarter (9 Months)

	Oil palm operation		Management / Agronomic services		Total	
	Current Year- Period To Date 30/9/2023 RM'000	Preceding Year- Period To Date 30/9/2022 RM'000	Current Year- Period To Date 30/9/2023 RM'000	Preceding Year- Period To Date 30/9/2022 RM'000	Current Year- Period To Date 30/9/2023 RM'000	Preceding Year- Period To Date 30/9/2022 RM'000
Major products and service lines						
Sales of oil palm products	410,766	552,182	-	-	410,766	552,182
Management/Agronomic services income	-	-	366	294	366	294
	410,766	552,182	366	294	411,132	552,476
Other revenue	-	-	320	353	320	353
Total revenue	410,766	552,182	686	647	411,452	552,829
Major products and service lines						
Geographical markets						
Malaysia	410,766	552,182	366	294	411,132	552,476
Timing and recognition						
At a point in time	410,766	552,182	366	237	411,132	552,419
Over time	-	-	-	57	-	57
	410,766	552,182	366	294	411,132	552,476



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information

The Group's business segments mainly comprise the following three major business segments:-

- (i) **Investment holding**
Investment holding company
- (ii) **Oil palm operations**
 - Estate operations (Cultivation of oil palm)
 - Mill operations (processing of fresh fruit bunches)
- (iii) **Management/ marketing/ agronomic services and rental**
Provision of management/ marketing/ agronomic service and rental of investment properties



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Individual Quarter (Q3)

	Investment holding	Management/ marketing/ agronomic services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30/9/2023						
Revenue						
Segment revenue	5,480	618	66,645	159,496	226,141	232,239
Inter-segment	(5,480)	(326)	-	-	(53,787)	(59,593)
External revenue	-	292	66,645	159,496	172,354	172,646
Cost of sales						
Segment cost of sales	-	(398)	(40,003)	(138,706)	(178,709)	(179,107)
Inter-segment	-	20	-	-	53,868	53,888
External cost of sales	-	(378)	(40,003)	(138,706)	(124,841)	(125,219)
Gross (loss)/profit	-	(86)	26,642	20,790	47,513	47,427
Distribution expenses	-	-	(876)	(8,528)	(9,404)	(9,404)
Segment (loss)/profit	-	(86)	25,766	12,262	38,109	38,023
Other income including finance income	968	38			751	1,757
Inter-segment	-	-			(64)	(64)
External other income	968	38			687	1,693
Other expenses including finance costs	(419)	(57)			(4,107)	(4,583)
Inter-segment	6	2			130	138
External other expenses	(413)	(55)			(3,977)	(4,445)
Operating profit/(loss) before tax	555	(103)			34,819	35,271
Other non-operating income - Change in fair value of biological assets	-	-			1,228	1,228
Profit/(Loss) before tax	555	(103)			36,047	36,499



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Individual Quarter (Q3)

	Investment holding	Management/ marketing/ agronomic services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30/9/2022						
Revenue						
Segment revenue	20,350	555	71,650	146,322	217,972	238,877
Inter-segment	(20,350)	(330)	-	-	(56,383)	(77,063)
External revenue	-	225	71,650	146,322	161,589	161,814
Cost of sales						
Segment cost of sales	-	(448)	(44,827)	(132,147)	(176,974)	(177,422)
Inter-segment	-	20	-	-	56,468	56,488
External cost of sales	-	(428)	(44,827)	(132,147)	(120,506)	(120,934)
Gross (loss)/profit	-	(203)	26,823	14,175	41,083	40,880
Distribution expenses	-	-	(1,454)	(7,793)	(9,247)	(9,247)
Segment (loss)/profit	-	(203)	25,369	6,382	31,836	31,633
Other income including finance income	539	20			1,276	1,835
Inter-segment	-	-			(52)	(52)
External other income	539	20			1,224	1,783
Other expenses including finance costs	(423)	(32)			(6,894)	(7,349)
Inter-segment	7	1			129	137
External other expenses	(416)	(31)			(6,765)	(7,212)
Operating profit/(loss) before tax	123	(214)			26,295	26,204
Other non- operating expense - Change in fair value of biological assets	-	-			(1,730)	(1,730)
Profit/(Loss) before tax	123	(214)			24,565	24,474



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Cumulative Quarter (9 Months)

	Investment holding	Management/ marketing/ agronomic services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30/9/2023						
Revenue						
Segment revenue	10,330	1,713	162,192	380,796	542,988	555,031
Inter-segment	(10,330)	(1,027)	-	-	(132,222)	(143,579)
External revenue	-	686	162,192	380,796	410,766	411,452
Cost of sales						
Segment cost of sales	-	(1,156)	(111,566)	(335,508)	(447,074)	(448,230)
Inter-segment	-	60	-	-	132,516	132,576
External cost of sales	-	(1,096)	(111,566)	(335,508)	(314,558)	(315,654)
Gross (loss)/profit	-	(410)	50,626	45,288	96,208	95,798
Distribution expenses	-	-	(2,475)	(20,476)	(22,951)	(22,951)
Segment (loss)/profit	-	(410)	48,151	24,812	73,257	72,847
Other income including finance income	2,695	110			4,712	7,517
Inter-segment	-	-			(185)	(185)
External other income	2,695	110			4,527	7,332
Other expenses including finance costs	(1,250)	(150)			(11,575)	(12,975)
Inter-segment	19	5			388	412
External other expenses	(1,231)	(145)			(11,187)	(12,563)
Operating profit/(loss) before tax	1,464	(445)			66,597	67,616
Other non-operating income - Change in fair value of biological assets	-	-			7,317	7,317
Profit/(Loss) before tax	1,464	(445)			73,914	74,933



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)

Cumulative Quarter (9 Months)

	Investment holding	Management/ marketing/ agronomic services and rental	Oil palm operations		Consolidated	
			Estate operations	Mill operations	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30/9/2022						
Revenue						
Segment revenue	75,350	1,589	247,357	499,763	747,120	824,059
Inter-segment	(75,350)	(942)	-	-	(194,938)	(271,230)
External revenue	-	647	247,357	499,763	552,182	552,829
Cost of sales						
Segment cost of sales	-	(1,234)	(112,546)	(465,472)	(578,018)	(579,252)
Inter-segment	-	60	-	-	195,147	195,207
External cost of sales	-	(1,174)	(112,546)	(465,472)	(382,871)	(384,045)
Gross (loss)/profit	-	(527)	134,811	34,291	169,311	168,784
Distribution expenses	-	-	(13,441)	(25,286)	(38,727)	(38,727)
Segment (loss)/profit	-	(527)	121,370	9,005	130,584	130,057
Other income including finance income	1,352	52			2,758	4,162
Inter-segment	-	-			(167)	(167)
External other income	1,352	52			2,591	3,995
Other expenses including finance costs	(1,203)	(116)			(15,164)	(16,483)
Inter-segment	18	3			387	408
External other expenses	(1,185)	(113)			(14,777)	(16,075)
Operating profit/(loss) before tax	167	(588)			118,398	117,977
Other non- operating income - Change in fair value of biological assets	-	-			5,123	5,123
Profit/(Loss) before tax	167	(588)			123,521	123,100



Part A – Explanatory Notes Pursuant to MFRS 134

A8. Segment Information (continued)
Segment assets and liabilities

	As At End Of Current Financial Period
	30/9/2023
	RM'000
Segment assets:	
Investment holding	444,439
Oil palm operations	805,430
Management services/Rental	21,945
	<hr/> 1,271,814
Elimination	(329,308)
	<hr/>
Total assets	942,506
	<hr/>
Segment liabilities:	
Investment holding	9,328
Oil palm operations	214,799
Management services/Rental	516
	<hr/> 224,643
Elimination	(29,945)
	<hr/>
Total liabilities	194,698
	<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.

On 25 October 2023, a subsidiary of the Company entered into a Facility Agreement with the bank for an Islamic term loan of RM40 million. The term loan facility is an Islamic facility under the Murabahah Tawarruq contract. In addition, the said subsidiary also entered into a Supplementary Agreement to convert its existing revolving credit into a term loan facility. Accordingly, the total term loan facilities available shall be RM80 million.

A11. Changes in the Composition of the Group

As at 30 September 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 September 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 September 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 30/9/2023 RM'000
Contracted but not provided for	
Property, plant and equipment	6,432

A14. Unfulfilled Contract Obligation

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

	At 30/9/2023 RM'000
Sale Contracts	7,478

A15. Significant Related Party Transactions

The significant related party transactions during the financial period as set out below represent significant transactions with companies having common directorship or in which certain Directors or person connected to a Director have interests.

	Cumulative Quarter (9 Months)	Preceding Year - Period To Date
	Current Year - Period To Date	30/9/2022
	30/9/2023	30/9/2022
	RM'000	RM'000
Purchase of goods and/or services :		
a. Danawa Resources Sdn. Bhd.		
- Rental and annual support for satellite broadband services	149	150
b. Intuitive Systems Sdn. Bhd.		
- Software support, customisation, maintenance fee	265	231
- Purchase of assets and IT equipment	12	80
c. Stonehead Sdn. Bhd.		
- Purchase of materials	1,016	1,468



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (9 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/9/2023	30/9/2022
	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	13	100
f. Ironhead Sdn. Bhd.		
- Purchase of equipment	539	612
- Services of equipment	17	-
g. Lik Shen Sawmill Sdn. Bhd.		
- Purchase of materials	30	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	1,049	1,546
- Transport service	142	-
n. Key Jaya Trading Sdn. Bhd.		
- Purchase of diesel	2,596	4,515
o. Acosafe Sdn Bhd		
- Insurance premium	772	729
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 (9 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/9/2023	30/9/2022
	RM'000	RM'000
Purchase of goods and/or services (continued):		
q. Ta Ann Holdings Bhd		
- Rental of office space	43	29
r. TBS Oil Mill Sdn. Bhd.		
- Transport service	219	-
s. Tanahead Sdn. Bhd.		
- Rental of office space	-	2
t. Pelitama Sdn. Bhd.		
- Purchase of spare parts	35	-
u. Igan Oil Mill Sdn. Bhd.		
- Purchase of fresh fruit bunches	242	-
Sales and/or provision of services :		
a. Manis Oil Sdn. Bhd.		
- Sale of fresh fruit bunches	16,099	21,067
b. TBS Oil Mill Sdn. Bhd.		
- Sale of fresh fruit bunches	10,397	15,090
c. TABM Sdn Bhd		
- Sale of palm kernel shell	3,812	1,414
d. Ta Ann Plywood Sdn. Bhd.		
- Sales of seedlings	-	140
- Sales of oil palm seeds	179	103
- Agronomics service fee income	15	7
e. Ta Ann Pelita Ngemah Sdn. Bhd.		
- Agronomics service fee income	4	-
f. Ta Ann Pelita Baleh Sdn. Bhd.		
- Agronomics service fee income	-	1
g. Ta Ann Pelita Igan Plantation Sdn. Bhd.		
- Agronomics service fee income	9	3



Part A – Explanatory Notes Pursuant to MFRS 134

A15. Significant Related Party Transactions (continued)

	Cumulative Quarter (9 Months)	Preceding Year - Period To Date
	Current Year - Period To Date 30/9/2023 RM'000	30/9/2022 RM'000
Sales and/or provision of services (continued) :		
h. Ta Ann Pelita Assan Plantation Sdn. Bhd.		
- Agronomics service fee income	3	1
i. Ta Ann Pelita Silas Plantation Sdn. Bhd.		
- Agronomics service fee income	2	-
j. Butrasemari Sdn. Bhd.		
- Agronomics service fee income	5	1
k. Ladang Selezu Sdn. Bhd.		
- Agronomics service fee income	4	2
l. Sebuibu Sdn. Bhd.		
- Agronomics service fee income	3	-
m. Palmhead Sdn. Bhd.		
- Agronomics service fee income	8	1
n. Igan Oil Mill Sdn. Bhd.		
- Sale of crude palm oil	-	20,929
o. Multi Maximum 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.



Part A – Explanatory Notes Pursuant to MFRS 134

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

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2023 RM'000	Preceding Year Corresponding Quarter 30/9/2022 RM'000	Current Year - Period To Date 30/9/2023 RM'000	Preceding Year - Period To Date 30/9/2022 RM'000
Profit before tax is arrived at after charging:				
Depreciation of property, plant and equipment	4,677	4,041	13,718	12,813
Depreciation of right -of- use assets	524	490	1,508	1,475
Depreciation of bearer plants	5,472	6,546	15,971	17,047
Depreciation of investment properties	59	49	175	175
Property, plant and equipment written off	-	-	1	200
Inventories written off	-	-	-	3
Finance costs	55	161	232	695
Other non- operating expense – Change in fair value of biological assets	-	1,730	-	-
Profit before tax is arrived at after crediting:				
Other non-operating income - Change in fair value of biological assets	1,228	-	7,317	5,123
Gain on disposal of property, plant and equipment	22	-	15	-
Gain on disposal of right -of- use assets	-	-	1,397	-
Other income	475	932	2,634	1,814
Finance income	1,203	851	3,286	2,181

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



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

B1. Review of Performance

Quarter 3, 2023 vs Quarter 3, 2022

The Group recorded revenue of RM172.6 million in the current interim quarter ended 30 September 2023 compared with RM161.8 million reported in the corresponding period of the preceding year.

The Group's operating profit before tax was RM35.3 million for the current interim quarter compared to RM26.2 million for the corresponding period of the preceding year. The increase in operating profit was principally due to the effect of higher sales volume of CPO and PK despite lower realised average selling prices of CPO & PK during the current interim quarter.

The Group recorded a profit before tax of RM36.5 million for the current interim quarter, as compared to RM24.5 million in the corresponding period of the preceding year is in line with the increase in operating profit for the current interim quarter coupled with a gain on fair value changes of biological assets recognised during the current interim quarter.

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

Oil palm operations

The oil palm operations comprise estate and mill operations. During the current interim quarter, estate operations recorded a segment revenue and segment profit of RM66.6 million and RM25.8 million respectively, whereas mill operations recorded a segment revenue and segment profit of RM159.5 million and RM12.3 million respectively.

For the current interim quarter, the oil palm operations segment contributed 99.8% of the Group revenue of RM172.6 million.

Revenue of the oil palm operations increased by RM10.7 million to RM172.3 million in the current interim quarter compared with RM161.6 million reported in the corresponding period of the preceding year. The increase was principally attributable to the higher sales volume of CPO and PK by 21.0% and 23.4% despite lower realised average selling prices of CPO and PK by 10.2% and 15.8% respectively during the current interim quarter.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM34.8 million for the current quarter as compared to operating profit before tax of RM26.3 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

B1. Review of Performance (continued)

Nine Months ended 30 September 2023 vs Nine Months ended 30 September 2022

The Group recorded revenue of RM411.5 million in the current financial period ended 30 September 2023 compared with RM552.8 million reported in the corresponding period of the preceding year.

The Group's operating profit before tax was RM67.6 million for the current financial period compared to operating profit before tax of RM118.0 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 RM74.9 million for the current financial period, as compared to a profit before tax of RM123.1 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 RM162.2 million and RM48.2 million respectively, whereas mill operations recorded a segment revenue and segment profit of RM380.8 million and RM24.8 million respectively.

For the current financial period, the oil palm operations segment contributed 99.8% of the Group revenue of RM411.5 million.

Revenue of the oil palm operations decreased by RM141.4 million to RM410.8 million in the current financial period compared with RM552.2 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 29.9% and 41.1%. However, sales volumes of CPO and PK had increased by approximately 9.2% and 12.2% respectively for the current financial period.

The operating profit before tax for the oil palm operations (after deducting administrative and finance cost) was RM66.6 million for the current financial period as compared to operating profit before tax of RM118.4 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 RM35.3 million for the current quarter compared with an operating profit before tax of RM17.8 million in the preceding quarter, mainly due to the effect of higher sales volume of CPO and PK by 34.8% and 38.8% respectively.

The Group recorded a profit before tax of RM36.5 million for the current quarter as compared to RM22.4 million in the preceding quarter. The increase in profit before tax was in line with the increase in operating profit before tax.

B3. Prospects for the Current Financial Year

The duration of peak crop season will sustain until November 2023. Therefore, the quarter 4, 2023 performance is anticipated to be better than the corresponding quarter of the preceding year.

The average crude palm oil (“CPO”) price for 2023 is anticipated to be lower than the average CPO price in 2022. Consequently, the operating profit in 2023 is expected to be lower than the operating profit in 2022.

We believe that the CPO price has hit its bottom currently and hence it is expected to rebound in the near term. Further, there is likely an upside potential in CPO price following market uncertainties surrounding other oil supplies resulting from the Russia-Ukraine War and Middle East conflicts.

The Group targets to accelerate replanting activities in the coming year. This will lead to increased yields and will contribute to the production growth accordingly.

Barring any unforeseen circumstances, the Board of Directors anticipates a satisfactory performance 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 (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2023 RM'000	Preceding Year Corresponding Quarter 30/9/2022 RM'000	Current Year - Period To Date 30/9/2023 RM'000	Preceding Year - Period To Date 30/9/2022 RM'000
Current tax expense	8,416	7,796	17,237	31,617
Deferred taxation	839	(1,511)	1,622	(642)
	<u>9,255</u>	<u>6,285</u>	<u>18,859</u>	<u>30,975</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 September 2023 are as follows:

	At 30/9/2023 RM'000
<u>Current</u>	
Deposits with original maturities exceeding three months	53,437

B7. Loans and Borrowings - Secured

	At 30/9/2023 RM'000
<u>Non-current</u>	
Hire purchase facilities	455
	<u>455</u>
<u>Current</u>	
Hire purchase facilities	1,288
	<u>1,288</u>
Total loans and borrowings	<u>1,743</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 converted to Term Loan

The revolving credit facility of RM40 million has been converted into a term loan facility of RM40 million pursuant to a Supplementary Agreement entered into with the Bank on 25 October 2023.

This revolving credit facility (converted to term loan) 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 converted term loan is for a tenure of up to 8 years from the date of first disbursement, inclusive of 3 years of grace period from the date of first disbursement or 1 October 2026, whichever is earlier, followed by a 5 year monthly principal instalments.

The converted term loan bears interest rate at 0.75% per annum above the Bank's cost of funds.

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 RM40 million is an Islamic facility under Murabahah Tawarruq contract pursuant to a Facility Agreement entered into by a subsidiary of the Company with the Bank on 25 October 2023. The term loan is secured by way of the legal charge over certain land and buildings of a subsidiary and a corporate guarantee from the Company.

The loan is for a tenure of up to 8 years from the date of first disbursement, inclusive of 3 years of grace period from the date of first disbursement or 1 October 2026, whichever is earlier, followed by a 5 year monthly principal instalments.

The term loan 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 20 November 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.
- (c) On 27 November 2023, the Board of Directors had declared a second interim, single tier dividend of 5 sen per share, totalling approximately RM14 million, in respect of the financial year ending 31 December 2023, to be paid to shareholders on 19 January 2024. The dividend entitlement date shall be on 22 December 2023.

B12. Earnings per Share

	Individual Quarter (Q3)		Cumulative Quarter (9 Months)	
	Current Year Quarter 30/9/2023	Preceding Year Corresponding Quarter 30/9/2022	Current Year - Period To Date 30/9/2023	Preceding Year - Period To Date 30/9/2022
Profit attributable to Owners of the Company (RM'000)	27,123	18,263	55,705	91,583
Weighted average number of ordinary shares in issue (unit)	279,032	279,032	279,032	279,032
Basic earnings per share (sen)	9.72	6.55	19.96	32.82
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

Basic earnings per share

The calculation of basic earnings per share for the interim quarter and financial year is based on the profit attributable to owners of the Company and on the weighted average number of ordinary shares in issue less the weighted average number of treasury shares held by the Company.

Diluted earnings per share

The diluted earnings per share for the interim quarter and financial year were not computed as the Company does not have any potentially dilutive ordinary shares as at 30 September 2023.



SARAWAK PLANTATION BERHAD

Registration No. 199701035877 (451377-P)

(Incorporated in Malaysia)

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 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 27 November 2023.

By Order of the Board

Company Secretary
Kuching

27 November 2023