



**Condensed Consolidated Income Statement
For The Quarter Ended 31 March 2023**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2022 (Unaudited)	Current Year 3 months ended 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2022 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Revenue	52,640	74,460	52,640	74,460
Cost of sales	(41,118)	(38,569)	(41,118)	(38,569)
Gross profit	11,522	35,891	11,522	35,891
Other operating income	1,947	4,575	1,947	4,575
Other operating expenses	(1,680)	(1,913)	(1,680)	(1,913)
Operating profit	11,789	38,553	11,789	38,553
Finance costs	(156)	(160)	(156)	(160)
Interest income	77	201	77	201
Profit before tax	11,710	38,594	11,710	38,594
Income tax expense	(2,585)	(9,067)	(2,585)	(9,067)
Profit for the period attributable to equity holders of the company	9,125	29,527	9,125	29,527
Earnings per share attributable to equity holders of the Company:	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>	<u>Sen</u>
Basic	1.91	6.17	1.91	6.17
Diluted	1.91	6.17	1.91	6.17

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Comprehensive Income
For The Quarter Ended 31 March 2023**

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2022 (Unaudited)	Current Year 3 months ended 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2022 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit for the period	9,125	29,527	9,125	29,527
Other comprehensive income	-	-	-	-
Total comprehensive income for the period attributable to equity holders of the company	9,125	29,527	9,125	29,527

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Financial Position
As at 31 March 2023**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Mar 2023	Preceding Financial Year Ended 31 Dec 2022
	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	342,752	343,975
Right-of-use assets	2,071	2,113
Biological assets	13,486	12,060
Other receivables	475	818
	<u>358,784</u>	<u>358,966</u>
Current Assets		
Inventories	11,935	13,731
Biological assets	4,894	4,171
Trade receivables	2,280	1,239
Other receivables	3,242	2,888
Fixed deposits with a licensed bank	582	582
Cash and bank balances	11,095	21,662
	<u>34,028</u>	<u>44,273</u>
TOTAL ASSETS	<u><u>392,812</u></u>	<u><u>403,239</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	239,675	239,675
Retained earnings	58,465	61,311
Total equity	<u>298,140</u>	<u>300,986</u>



**Condensed Consolidated Statement of Financial Position
As at 31 March 2023 (Cont'd)**

	(Unaudited)	(Audited)
	End of Current Quarter 31 Mar 2023	Preceding Financial Year Ended 31 Dec 2022
	<u>RM'000</u>	<u>RM'000</u>
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Deferred tax liabilities	68,182	68,182
Lease liabilities	2,026	2,065
	<u>70,208</u>	<u>70,247</u>
Current liabilities		
Trade payables	3,130	7,561
Other payables	19,145	17,113
Lease liabilities	42	45
Income tax payable	2,147	7,287
	<u>24,464</u>	<u>32,006</u>
Total liabilities	<u>94,672</u>	<u>102,253</u>
TOTAL EQUITY AND LIABILITIES	<u><u>392,812</u></u>	<u><u>403,239</u></u>

The Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Changes in Equity
For the Financial Quarter ended 31 March 2023**

	Share capital	Retained earnings	Total equity
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2023	239,675	61,311	300,986
Total comprehensive income for the period	-	9,125	9,125
Dividend on ordinary shares	-	(11,971)	(11,971)
At 31 March 2023	<u>239,675</u>	<u>58,465</u>	<u>298,140</u>
At 1 January 2022	239,675	84,036	323,711
Total comprehensive income for the period	-	29,527	29,527
Dividend on ordinary shares	-	(28,731)	(28,731)
At 31 March 2022	<u>239,675</u>	<u>84,832</u>	<u>324,507</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 31 March 2023**

	3 months ended 31 Mar 2023 (Unaudited) <u>RM'000</u>	3 months ended 31 Mar 2022 (Unaudited) <u>RM'000</u>
Operating activities		
Profit before tax	11,710	38,594
<u>Adjustments for :-</u>		
Depreciation of property, plant and equipment	6,068	5,681
Depreciation of right-of-use assets	42	42
Interest income	(77)	(201)
Interest expense	156	160
Property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	(40)	-
Fair value changes of biological assets	(723)	(2,634)
Total adjustments	<u>5,426</u>	<u>3,049</u>
Operating cash flows before changes in working capital	17,136	41,643
<u>Changes in working capital:</u>		
Increase in biological assets	(1,426)	(1,152)
Decrease in inventories	1,796	1,981
Increase in receivables	(1,052)	(6,744)
(Decrease)/increase in payables	(2,399)	3,497
Total changes in working capital	<u>(3,081)</u>	<u>(2,418)</u>
Cash generated from operating activities	14,055	39,225
Interest received	77	201
Interest paid	(156)	(160)
Income tax paid	(7,725)	(5,063)
Net cash generated from operating activities	<u>6,251</u>	<u>34,203</u>
Investing activities		
Purchase of property, plant and equipment	(4,845)	(3,175)
Proceeds from disposal of property, plant and equipment	40	-
Net cash used in investing activities	<u>(4,805)</u>	<u>(3,175)</u>



**Condensed Consolidated Statement of Cash Flows
For the Quarter ended 31 March 2023 (Cont'd.)**

	3 months ended 31 Mar 2023 (Unaudited) <u>RM'000</u>	3 months ended 31 Mar 2022 (Unaudited) <u>RM'000</u>
Financing activities		
Payment of principal portion of lease liabilities	(42)	(42)
Dividends paid	(11,971)	(28,731)
Net cash used in financing activities	<u>(12,013)</u>	<u>(28,773)</u>
Net (decrease)/increase in cash and cash equivalents	(10,567)	2,255
Cash and cash equivalents at beginning of year	21,662	34,176
Cash and cash equivalents at end of period	<u>11,095</u>	<u>36,431</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard MFRS 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2022.

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2022, except for the adoption of the following new/revised MFRSs and amendments to MFRSs:

	Effective for annual periods beginning on or after
MFRS 17 Insurance Contracts and Amendments to MFRS 17	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a single transaction	1 January 2023
Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above new standards and amendments are not expected to have significant impact on the Group’s financial statements in the year of initial application.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2022 was not qualified.

4. SEGMENTAL INFORMATION

No segment information has been prepared as the Group is primarily engaged in the cultivation of oil palm and processing and sale of crude palm oil and palm kernel.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE, OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2023.

6. CHANGES IN ESTIMATES

There were no changes in estimates that had a material effect in the current quarter results.

7. SEASONAL OR CYCLICAL FACTORS

The effects of seasonal or cyclical fluctuations, if any, are explained under Paragraphs 1 and 2 of Part B i.e. Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

8. DIVIDENDS PAID

The amounts of dividends paid during the period ended 31 March 2023:

	2023 <u>RM'000</u>
In respect of financial year ended 31 December 2022:	
Fourth interim single-tier dividend of 2.5 sen per ordinary share paid on 21 March 2023	11,971
	<u>11,971</u>



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

9. CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

There were no brought forward valuations of property, plant and equipment from the financial year ended 31 December 2022 and there were no valuations of property, plant and equipment carried out during the financial period ended 31 March 2023.

10. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale, and repayments of debt and equity securities during the financial period ended 31 March 2023.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter.

12. DISCONTINUED OPERATION

There were no discontinued operations for the Group during the current financial quarter.

13. CAPITAL COMMITMENTS

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2023 are as follows:

Capital expenditure:	2023
Property, plant and equipment:	<u>RM'000</u>
Approved and contracted for	<u>5,455</u>



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

14. CONTINGENT LIABILITIES

Claim made by Benta Wawasan Sdn. Bhd.

Based on the Agreement for Oil Palm Plantation entered between Benta Wawasan Sdn. Bhd. (“Benta”) and SJI dated 18 November 2005 together with the 1st and 2nd supplemental agreements (the “AOPP Agreements”), SJI would need to pay a variable lease payment based on FFB production starting 2017. On 9 July 2018, SJI and Benta entered into a 3rd supplemental agreement (the “3rd Supplemental Agreement”), whereby both parties mutually agreed that SJI should pay rental on the land for oil palm plantation of RM2,201,502 covering the period from year 2018 to year 2070 in an equal annual payment of RM41,538 and interest on the total outstanding rental sum at the rate of 8% per annum on a reducing balance basis.

Via a letter dated 10 January 2019, Benta has informed SJI that the 3rd Supplemental Agreement was not approved by the board of directors of Benta. Subsequently, Benta issued a letter dated 6 March 2019 and an invoice dated 8 March 2019, claiming for the variable lease payments for year 2017 and year 2018 amounted to RM5,288,459 and RM4,261,721 respectively, based on the terms of the AOPP Agreements. The rental for year 2017 of RM5,288,459 has been recognised by the Group. For the financial year ended 31 December 2018, other than the fixed rental amount of RM41,538, no variable lease payment was recognised. The variable lease payments for the financial years ended 31 December 2019, 2020, 2021 and 2022 should the terms in AOPP Agreements be applied amounted to approximately RM3,210,593, RM6,322,110, RM14,706,925 and RM19,519,265 respectively. These amounts were also not recognised in these financial statements as the Group believes that the 3rd Supplemental Agreement is a valid and binding agreement mutually agreed between the parties.

Subsequently, there were various correspondences between the parties and a meeting has been arranged to discuss the matter. Based on latest correspondences in early 2020, both parties are interested to arrive at a sound and sensible solution to the issue without further delay and expense.

SJI has been advised by its legal counsel that SJI has a strong case to continue and to maintain that the 3rd Supplemental Agreement is valid and binding. Accordingly, no additional provision on variable lease payments for the year 2018 to year 2070 have been made in these financial statements.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

15. MATERIAL RELATED PARTY TRANSACTIONS

Group	2023
	<u>RM'000</u>
Trade transactions	
Transaction with related parties:	
Rental paid to TSH Resources Bhd., a company in which a director of the Company has an interest.	31
Sales of crude palm oil to TSH-Wilmar Sdn. Bhd.	48,507
Sales of palm kernel to TSH-Wilmar Sdn. Bhd.	4,132
Purchase of oil palm fresh fruit bunches from Benta Wawasan Sdn. Bhd.	309
Purchase of seedlings from TSH Biotech Sdn. Bhd.	194
Company	
Trade transactions:	
Management fees paid to subsidiary - Serijaya Industri Sdn. Bhd.	38
Transaction with related party - Rental paid to Yayasan Sabah	11

16. MATERIAL LITIGATION

There were no material litigation at the end of this quarter and as at the date of this report.

17. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There were no material events subsequent to the end of the period that have not been reflected in the interim financial statements for the period.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. PERFORMANCE REVIEW

	INDIVIDUAL QUARTER			CUMULATIVE YEAR TO DATE		
	Current Year Quarter 31 Mar 2023	Preceding Year Quarter 31 Mar 2022	Variance	Current Year 3 months ended 31 Mar 2023	Preceding Year Period 31 Mar 2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
FINANCIAL INFORMATION:						
Revenue	52,640	74,460	(29%)	52,640	74,460	(29%)
Operating Profit	11,789	38,553	(69%)	11,789	38,553	(69%)
Profit Before Tax	11,710	38,594	(70%)	11,710	38,594	(70%)
Profit After Tax	9,125	29,527	(69%)	9,125	29,527	(69%)
Profit Attributable to Equity Holders of the Company	9,125	29,527	(69%)	9,125	29,527	(69%)
OPERATION STATISTICS:						
Palm Products:						
FFB Production (MT)	59,267	53,001	12%	59,267	53,001	12%
CPO Production (MT)	11,709	10,635	10%	11,709	10,635	10%
PK Production (MT)	1,932	1,914	1%	1,932	1,914	1%
CPO Sold (MT)	12,109	11,702	3%	12,109	11,702	3%
PK Sold (MT)	2,061	1,981	4%	2,061	1,981	4%
CPO Oil Extraction Rate (%)	19.87	19.91	-	19.87	19.91	-
PK Extraction Rate (%)	3.28	3.58	(8%)	3.28	3.58	(8%)
Average CPO Price Per MT (RM)	4,006	5,606	(29%)	4,006	5,606	(29%)
Average PK Price Per MT (RM)	2,006	4,471	(55%)	2,006	4,471	(55%)



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

1. PERFORMANCE REVIEW (CONT'D.)

The Group recorded revenue of RM52.640 million and profit before tax of RM11.710 million for the current quarter ended 31 March 2023, representing a decrease of 29% and 70% respectively as compared to preceding year corresponding quarter. The decrease was mainly due to lower average selling prices of CPO and PK by 29% and 55%.

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION

	INDIVIDUAL QUARTER		
	Current Year Quarter 31 Mar 2023	Immediate Preceding Quarter 31 Dec 2022	Variance
	RM'000	RM'000	%
FINANCIAL INFORMATION:			
Revenue	52,640	56,418	(7%)
Operating Profit	11,789	13,073	(10%)
Profit Before Tax	11,710	13,234	(12%)
Profit After Tax	9,125	9,643	(5%)
Profit Attributable to Equity of the Company	9,125	9,643	(5%)
OPERATION STATISTICS:			
FFB Production (MT)	59,267	68,856	(14%)
CPO Production (MT)	11,709	13,412	(13%)
PK Production (MT)	1,932	2,268	(15%)
CPO Sold (MT)	12,109	13,413	(10%)
PK Sold (MT)	2,061	2,327	(11%)
CPO Oil Extraction Rate (%)	19.87	18.88	5%
PK Extraction Rate (%)	3.28	3.19	3%
Average CPO Price Per MT (RM)	4,006	3,840	4%
Average PK Price Per MT (RM)	2,006	2,109	(5%)



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

2. MATERIAL CHANGES IN PROFIT BEFORE TAXATION (CONT'D)

The Group recorded profit before tax of RM11.710 million for the current quarter, a decrease of 12% as compared to RM13.234 million in the immediate preceding quarter. The decrease was mainly due to lower CPO & PK sales volume arising from seasonal lower FFB production.

3. COMMENTARY ON PROSPECT FOR 2023

FFB production in coming quarter is expected to be in-line with seasonal trend. Short term CPO prices forecast is influenced by several factors, such as weather, production levels, demand, trade policies and economic growth. It is challenging to predict short term CPO prices with certainty as they are subjected to market volatility and weather uncertainty. Given the current level of CPO and PK prices, the Board is confident of achieving a reasonable profit in the coming quarter.

Management will continue to remain focus on productivity and efficiency improvement to reduce unit cost of production.

4. PROFIT FORECAST OR PROFIT GUARANTEE

There were no profit forecasts or profit guarantees released to the public.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

5. INCOME TAX EXPENSE

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2022 (Unaudited)	Current Year 3 months ended 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2022 (Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current year tax:				
Malaysian income tax	2,585	-	2,585	-
Deferred tax	-	9,067	-	9,067
	<u>2,585</u>	<u>9,067</u>	<u>2,585</u>	<u>9,067</u>
(Over)/underprovided in prior years:				
Malaysian income tax	-	-	-	-
Deferred tax	-	-	-	-
Total	<u>2,585</u>	<u>9,067</u>	<u>2,585</u>	<u>9,067</u>

6. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales/disposals of unquoted investments and properties during the current financial quarter and period ended 31 March 2023.

7. QUOTED SECURITIES

- (a) There were no purchase and sale of quoted securities for the current financial quarter ended 31 March 2023.
- (b) There were no investments in quoted shares as at 31 March 2023.

8. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals for the current financial quarter ended 31 March 2023.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

9. UTILISATION OF PROCEEDS

No proceed were raised by the Company from any corporate exercise during the period.

10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 31 March 2023.

11. DIVIDEND

A first interim single-tier tax-exempt dividend of 2 sen in respect of financial year ending 31 December 2023 was declared on 25 May 2023 and payable on 28 June 2023.

12. EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period:

	INDIVIDUAL QUARTER		CUMULATIVE YEAR TO DATE	
	Current Year Quarter 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Quarter 31 Mar 2022 (Unaudited)	Current Year 3 months ended 31 Mar 2023 (Unaudited)	Preceding Year Corresponding Period 31 Mar 2022 (Unaudited)
Profit attributable to ordinary equity holders of the parent	RM'000 9,125	RM'000 29,527	RM'000 9,125	RM'000 29,527
Weighted average number of ordinary shares in issue ('000)	478,858	478,858	478,858	478,858
Basic earnings per share	<u>Sen</u> 1.91	<u>Sen</u> 6.17	<u>Sen</u> 1.91	<u>Sen</u> 6.17



EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2023

12. EARNINGS PER SHARE (CONT'D)

(b) Diluted earnings per share

The Group has no dilution in its earnings per ordinary share for the financial period under review as there are no dilutive potential ordinary shares.

13. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2023.